

A GUIDE TO COMPLETING YOUR BUSINESS PLAN

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WHY YOU NEED A WELL-CRAFTED BUSINESS PLAN

The process of writing a business plan actually helps articulate your business start or business growth idea bringing valuable clarity. It forces you to ask and answer hard questions and explore your options.

Reasons for a business plan

* To help you think through the whole process - the value of a business plan is not only the plan itself, but the process of writing it
* You wouldn't build a house without creating a plan. Why would you build a business without having a similar plan?
* To put down on paper the product and market opportunity, what is truly unique about your business, how much money you need to invest and the implications of that investment on your sales targets
* To convince yourself that it is worth doing
* To convince BIA Innovator Campus and others that you have thought the process through and have a solid business proposition
* To use with a grant authority/banks to get support
* To give you targets to aim towards and measure yourself against

BIA Innovator Campus is here to help food entrepreneurs at every step of the journey. As you prepare you business case to secure a BIA OBAIR production unit, please remember a mentor team can be at your disposal to assist in articulating your plan and putting your best food forward. Please email a request to [hello@biainnovatorcampus.ie](mailto:hello@biainnovatorcampus.ie) and together with our enterprise partners, Local Enterprise Office Galway, we will get the support you need.

What follows is a Business Plan template for a food business. This is a Guide and we welcome any format that allows your business proposition and ambition to shine!

The best business plans are written in short paragraphs, using clear and concise language.

TITLE PAGE

<<COMPANY NAME>>

BUSINESS PLAN 2021 - 2023

**(typically, business plans are completed for a 3-year period)**

**INSERT A PHOTO ON THE TITLE PAGE OF YOURSELF AND YOUR PRODUCT**

**(people buy people and an image gets you off to a good start)**

<<Date>>

**An example cover page**

Some plans include

<<Prepared by:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_>>

This is not a must. Many times the best plans are prepared by the food entrepreneur themselves who can articulate their plans and passion in a more compelling way.

BUSINESS DETAILS

Business lead (s) and Title(s):

Full Address of Company: Official business name:

address

Address (Inc postcode):

E-mail address:

Mobile Phone Number:

Company Website:

Our social platforms: Give links to all social media accounts

Your advisory team: For example, your accountant/financial advisor

External mentor

Solicitor

TABLE OF CONTENTS

Help the reader navigate your plan with a clear structured table of contents.

EXECUTIVE SUMMARY

The **executive summary should** be only a few pages. It needs to be a condensed version of your business plan. You should include your overarching longer term vision for the business, the headlines of your **plans**and goals (be specific e.g. to reach turnover of €xxx,xxx within 3 years of which 10% are exports, employing xx people) , a brief introduction to your team, an outline of your strategy, and highlights of your financial status and needs.

Summarise the ask of the business plan, e.g. to secure a BIA Obair Starter Unit and secure investment of €100,000 from xxxxxxxx insert funder name.

*TIP It is easier to write this section when you have completed all other parts of the business plan.*

THE BODY OF THE BUSINESS PLAN

1. Background - Snapshot of where you have come from

**Bring the reader on a journey of how your food business started, the background and your track record since establishment. Start with your own background, qualifications, relevant experience and when and how you decided to establish a food or beverage business. Bring the reader through your development milestones to the present date and the growth opportunities that you have, a SWOT analysis is an excellent way to do this.**

**Example to show the style and content required in this important introduction.**

*ABC Food Company’s growth epitomises the achievements of a hardworking team who have carefully and ambitiously built a business that by any standard is impressive. For every one of our xx (insert number) years in business, we have achieved an increase in sales year on year. ABC Food Company’s was established by xxxxx (your name) in xxxxx (the month and year) as a xxxxxx (what you do) food business in xxxxxx (location). Our initial plan was to ……………*

*Starting in a home kitchen (change as required), week one saw the production of just xxxxx (starting quantity) under the xxxxx brand (explain the background of your brand) to xxxxxx (insert) distribution channels. From that very modest first week, sales have grown to xxxxxx (insert annual turnover in 2020) with the business employing xxx full time and xx part time staff. We have the opportunity to increase sales through xxxxxx (insert opportunities here).*

*Our current production is based at (insert description of present premises) , using xxxxxx (describe) equipment. The challenge is insufficient space to grow (articulate you challenges here).*

In describing, the founders and management team, describe your own career. Tie in the key learning and skills that you have acquired throughout your career and how they benefit your own business now. Be clear on the areas of responsibility. An example:

*John and Mary bring very complimentary experience to the business. Company Founder Mary as spent all her life involved with the food and tourism sector, having grown up within a family business, XTZ and describe. This experience combined with the knowledge she acquired whilst in the banking sector are essential with running the business going forward. Mary is also very linguistic being able to communicate in a number of European languages, a skill which will be used to expand the customer base into other European countries.*

*John’s role as Quality Control Manager/ Quality Assurance Manager with XYZ allowed him to gain experience of quality systems but also taught him the importance of good communication and management skills. These skills are supported by an excellent knowledge of traceability, quality systems, HACCP, etc. John’s subsequent role as Certification Manager with XYZ gave him an understanding of the importance of quality ingredients and an opportunity to assist small artisan producers to develop into local food heroes. He now has XX years’ experience as (areas of responsibility) in the business e.g. production lead and company director and duties include sales and marketing. He leads product development in the company.*

Use this section to show off your expertise, experience, and accolades. Include anything in your education or experience that makes you an expert in this business. If you have testimonials, awards, or endorsements, share those.

This is the ideal section to include a SWOT analysis. Link to this useful [guide](https://strategicmanagementinsight.com/tools/swot-analysis-how-to-do-it.html#:~:text=%20Basic%20swot%20analysis%20is%20done%20fairly%20easily,Step%202.%20Identifying%20opportunities%20and%20threats%20More).

2) Our Product and Unique Selling Points

Clearly describe the products and services your business currently and plans to provide in the future.  This section needs to showcase the quality, value, and benefits your business offers in its product or service offering.

Describe each product line, your ingredients sourcing policy, and above all why your product or service is superior to competitors. This section should cover..

• Description of the products or services you are offering or plan to offer. Focus on benefits. Unique features are important, but even more vital is how those features provide value to consumers. Translate your features (i.e. single serve packaging) into benefits (i.e., less waste )

• Benefits and Features and unique selling points - A crucial part of success in business is the ability able to set yourself apart from other businesses that sell the same or similar products and services. What features, such as price point or level of service, do you offer that is unique to you?

• Advantages to customers and why it fills a gap in the market

* How your products and services are/will be priced
* A paragraph or so on how orders from your customers are/will be processed or fulfilled
* Disadvantages or weak points e.g., any needs you have in order to create or deliver your products, such as increased capacity equipment

• Future products or services you plan to offer

TIP - Include photographs.

1. Market Analysis

The market analysis is a crucial section of the business plan, as it helps you give a solid basis for your sales projections. In this section, present your research on the primary target market for your product or service, including geographic location, demographics, your target market's needs and how these needs are currently being met. The research must convince that there is a viable market and that you are superior to your competition in the market for sales.

**Target Market**

Describe the market to which you are planning to sell the product or service. [Bord Bia research](https://www.bordbia.ie/industry/insights/) is a wonderful resource which you can supplement with own research and information from customers which is particularly valuable market information. Include:

* The total size and value of your overall market
* What segment of the market are you targeting and the size of that market segment
* Is the segment growing or declining?
* Characteristics of potential customers in each segment

**Market Trends**

Analyse what is happening in the market. Include recent changes and future market predictions. Ensure you share any changes to the market as a result of Covid-19. Kerry Foods published some really interesting trends that apply right across the food sector. The Kerry Consumer First data service highlights the 5 Food and Beverage Trends in Europe during COVID-19 which has relevance to all food and beverage businesses.

* *Trend 1: A focus on 'self-protection'.*

From immunity-boosting products to comfort food, consumers are looking for ways to protect their bodies and minds during this time. A 2019 survey by Kerry ConsumerFirst found that some 30% of European consumers claimed to change their diets to help their immune system, so this trend has been at play since before COVID-19. However, this has accelerated according to internet searches for 'food' and 'immune system', which rose 670% globally in the first 2 weeks of March, according to Google Trends data.

* *Trend 2: A new relationship with cooking and drinking.*

Over 50% of European consumers are now cooking more at home and attempting new cuisines and recipes, according to Kerry ConsumerFirst data. According to an international survey led by Queen's University Belfast and National University of Ireland Galway, Irish people are cooking more at home, and from scratch with fresh ingredients, since the beginning of Covid19, and how we shop for food, cook and eat has changed significantly,

* *Trend 3: Snackification is on the rise.*

Consumers turn to snacks for comfort, but the nature of snacking has shifted from a quick fix on the go to an at-home occasion. Prior to COVID-19, shared snacking fuelled a number of markets. A survey by Mondelez found that 71% of adults say snacking gives them time to connect with themselves and 53% look forward to snacks more than meals. Due to the current environment, consumers are looking for snack products that are functional, such as from an immunity perspective, and even from snacks that provide relaxation and mental benefits. For those who are looking for a treat, snacks that prompt a sense of nostalgia seem to be delighting consumers. Creating a new twist on old favourites could be an option for some manufacturers.

* *Trend 4: Importance of e-commerce.*

Digital technology has been embraced by all sectors of society, from staying in touch with loved ones to ordering food online. This trend is set to grow and strengthen, with foodservice outlets pivoting to online delivery and engaging with consumers via mediums such as Instagram and carrying out cookalongs on Facebook Live and Zoom.

* *Trend 5: Increased appetite for transparency and sustainability.*

A transparent food and beverage supply chain was important to consumers before COVID-19, which is only set to continue. People are likely to be more invested in food safety and where their food comes from, with consumers already more interested in clean labels. One potential effect of this can be seen in the sales of plant-based products, which have grown in recent weeks, possibly mirroring a response seen in China. Consumers are warier of animal products, which many people believe to be the origin of COVID-19. According to Mintel, before COVID-19, 41% of UK processed meat eaters said health concerns led them to reduce consumption.

The pandemic has a positive impact on the environment. According to Kerry research, some 45% of European consumers claim ethical production and sustainable sourcing are vital to them, so we can expect that trend to grow in the post-COVID-19 world.

Now how is your business responding to market changes? In this section you put forward your plans to meet future demands and changes in the market. As an example, this somewhat dated information is for a bakery. Note the reference to external market predications ..

*In Ireland, despite the recession the bakery sector is showing its resilience as a staple purchase in the shopper’s basket, TNS figures show that price increases have driven value growth with volumes falling as households cut down on frequency of purchase. Bread dominates the market with 64.8% volume share; morning goods share of the market has risen to 17.9% while ambient cakes and pastries have declined slightly to 17.3%.*

*According to Bord Bia despite rising production costs the prospects for the bakery sector look good as it appears to be more recession proof than many other food sectors with consumers unwilling to trade down to the same extent as in other areas. Innovation in the area of healthy options is proving popular with the consumer – products such as high fibre, low GI, seeds and grains and Omega–3 enhanced. (XYZ are very much up to speed in this field). These products are appealing to the health-conscious consumer and tap into the trends for health and premiumisation. Health remains the most important trend in bakery with health claims up by 33% over the past year according to Bord Bia who state that this trend offers opportunities for Irish bakery companies to combine health and premiumisation within their product range.*

*Morning goods have shown continuous growth over the last 3 years in Ireland with a further 15% value growth recorded last year. Within ambient cakes market volume and values are under pressure with sales down by 9% over the last year as the category faces pressure from other treat sectors such as Biscuits and Confectionery.*

**Profile of Competitors** Share an objective analysis of your competitors in the market. What are the competing products and services? List and compare all that apply.

**Competitive Advantage**

This is your assessment of why potential customers will choose to buy your product in place of those profiled above. A profile of why your products will succeed in the market. Advantages may include:

• Unique features

• Price

• Aligned to consumers’ needs

1. Production Plan

As a potential tenant of BIA Obair units as BIA Innovator Campus, we know that a new production unit is part of your business planning. In this section, please share

Current production structure

* Current premises – details of current facility, ownership, size, challenges, investment to date
* Current equipment - details of current equipment, challenges, investment to date
* Summary (or a diagram) of production flow
* Current staffing levels

New production structure

* BIA Obair unit – which size unit is required and why? Fit out requirements and cost of same
* Planned equipment - details of new equipment required and cost of same
* Summary (or a diagram) of proposed production flow
* New staffing plan for your business in BIA Obair unit

Productivity

* Please highlight how your new facility will lead to productivity improvements in your operation and try to quantify the impact of same
* Tell us of how you plan to incorporate more sustainable approaches to your production process, reduce waste, eco packaging etc.

REMEMBER - we have technical mentors available to assist you to plan your new production unit

1. Marketing and Sales Strategy

This section sets out your strategies for reaching your target market, generating interest in your product or service, and actually delivering the product or service to them in sales.

**Marketing Strategy**

How do you will position your product or service in the market and differentiate it from its competitors:

• Which segments of the market are targeted and why?

• What key benefits will be highlighted?

• What potential customers have you already targeted? Where will new customers come from?

• Who will do the marketing: inhouse or contracted?

**Sales Strategy**

For existing businesses, start with a summary overview of sales to date. As example…

*It is useful to reflect back on what was achieved in recent years:-*

|  |  |  |
| --- | --- | --- |
| ***Date*** | ***Total Sales*** | ***% Increase*** |
| *2017* | *€389,822* |  |
| *2018* | *€411,035* | *+ 5.4%* |
| *2019* | *€484,853* | *+ 18.0%* |
| *2020* | *€537,550* | *Accounts not finalised as yet* |

Then progress to explain how do you sell your product or service to the target market? Give an overview of your route to market actions and your sales structure.

* Directly to consumers
* Retail – independent, symbol group, multiple etc
* Food service channels
* Distributor/agent
* Online sales
* With collaboration partners

For each sales channel, analyze the costs involved, whether it will reach the intended market efficiently, the control you would retain over the pricing and positioning, the logistics, and the overall integration with your marketing strategy. State the advantages of the methods you have chosen to sell your product or service.

Share specific details about

* Your sales pipeline – what sales targets are you establishing for the next three years and where specifically will these sales come from
* Export market sales targeting

**Pricing and Profitability Strategy**

State how each product or service is priced, referring to the sales channels above. How you benchmark with:

* Competitors’ prices
* Level of competition in the market
* Perception of quality-price relationship by customers
* Production costs and overheads – across product lines and the profitability of each line
* Chain of distribution and the added-value at each stage
* The extent to which the buyer can control the price

**Marketing and Communications Strategy**

How you will promote your product or service in the marketplace. Bring us through your marketing plan and tell us about

* Your brand
* How your packaging is a marketing tool
* Your web presence
* Digital marketing
* Social media reach and plans
* Advertising – where, when, how, to whom
* Public relations
* Direct marketing
* Events
* Awards you have received
* Networks you are involved in

1. Innovation

**Innovation, research and development is so important in the food sector and a key focus for us in BIA Innovator Campus.**

Most Irish food and beverage companies spend less than 3% on R&D, and, indeed, many spend less than 1%. Many Irish food and drink SME innovation investment is reactionary with an over-reliance on me-too product development and minimal medium to long term planning. With the in-house expertise of a Food Innovation Specialist and two Food Technologists, BIA Innovator will provide unprecedented access to food and beverage innovation supports and facilities for applied R&D. Tell us how you plan to benefit from this resource.

* Indicate whether you will have ongoing innovation as an activity in your business.
* Highlight the areas you are exploring and how this innovation will influence existing products and new product development and product launches over the next three years. Innovation can be incremental – changes to ensure a better product, longer shelf life, new scaling processes in order to be suitable for a larger market, differentiated from competition or it can be more radical, and costly e.g. launching a completely new product range.
* Innovation adds risk and uncertainty into a business. Explain how you will manage this risk.

1. Staffing and Operations

This is where you will outline the intended structure of the company in terms of management, number of employees, and the physical operational requirements to produce or supply the product or service.

Include an Organisation Chart and how this will change over the next three years. This should show the key areas of responsibility and the employees to be taken on over the next three years.

**Staffing**

State existing employee levels and what employees will be taken on over the next three years, with which skills, in which areas of the business.

8) Sustainability and Climate Action

Sustainability is beginning to transform the food industry with environmental, economic and social factors being considered, evaluated and implemented throughout the supply chain like never before. One of the biggest challenges currently facing Ireland is the issue of food waste and the need for more sustainability in our food value chains. The current system of food production, distribution, consumption and managing wastage is under scrutiny, because research has shown that it is unstainable and has major environmental, social and economic impact. Ireland generates over 1 million tonnes of food waste each year and around 8% of greenhouse emissions are generated from food waste alone.

Climate action is an opportunity; food and drink companies need to lead by example. BIA Innovator Campus will be a centre of excellence for circular approaches in the food sector, eco packaging, proteins and new foods and empowerment of food entrepreneurs as changemakers, climate shapers and future leaders in the food innovation ecosystem.

* Please share your sustainability plans with us, how can you reduce food wastage in your operations and supply chains in the next three years.
* Share details of ethical and local sourcing.
* Have you implemented Lean for Business systems – if not, is this of interest?
* Are you or do you have plans to be part of Bord Bia’s Origin Green programme?
* Any other climate action measures you are planning?

9)Financial Projections

Your business plan needs to demonstrate robust financial projections. This section should

* Start with investment history to date, how much have you invested to date and the source of that investment – own funds, borrowings, grant aid, external investment etc.
* Summarise Profit and Loss Accounts for past two years – supply published audited accounts as part of the Appendices
* Summarise Profit and Loss Accounts and Balance Sheet Projections for the next three years
* Summarise Cashflow projections for at least the next two years.

**Key assumptions**

This section reviews the key assumptions used in the financial projections. It is a guide to explain how key figures in the financial projections were arrived at. Included here should be items such as:

• Income sources

• Number of employees projected for each year and their intended salaries

• Projected investment in equipment and materials

• Depreciation allowed for

• Rent and rates charges

• Creditor days expected and debtor days allowed

• Expense calculations

This section should be brief and to the point. Further detail regarding these items can be placed in the Appendices.

10) Funding Requirements

Outline here the total funding requirements of the business, and how those are intended to be funded. You will also need to state the breakdown of how these funds are to be spent.

Sources:

• Promoters’ funds

• Bank lending

• Grants or loans from agencies

• Investment already received

Appendices

This section is used to provide the detailed data on which the main text of the business plan is based, and to provide extra information of interest to the readers of the business plan. Items for inclusion in appendices vary from business to business, but normally include some of the following:

• Promoters’ CVs

• Detailed financial assumptions

• Most recent Company Audited Accounts

• Promotional literature

• Product or service information

• Testimonials or letters of intent from customers