

Business plan readiness assessment

“Planning is an unnatural process; it is much more fun to do something. The nicest thing about not planning is that failure comes as a complete surprise, rather than being preceded by a period of worry and depression.” Sir John Harvey-Jones

The big idea

Such is the effort that often goes into the preparation of a business plan that, once it is produced, the last and most crucial stage is neglected. It is at this point that you are well advised to do a thorough critique, reading it as far as possible, with the eyes of an outsider. It is an opportunity to assess its strengths and weaknesses and determine if there are any gaps you need to address. This evaluation phase should consider four elements:

- The written business plan itself: timelines and targets should be carefully reviewed and all the fundamental questions must be answered
- The manner of presentation: is it clear and concise, with a logical progression?
- Realistic approach: does it present a realistic perspective on how the business will evolve? That is not to say that it can't be ambitious but there should be a clear argument behind your proposals
- The viability of the business: does the business plan present a business strategy with a strong and sustainable model at its core? Does the business have the management capability and financial competence to deliver its strategy?

Purpose

The purpose of this tool is to provide you with a checklist against which you can self-assess your current plan. It could also be used as guidance criteria for revising your current plan or for writing a new plan.

The tool

A business plan normally consists of a number of core sections. Use the following questions to assess the readiness of your plan. You can use the criteria as you write each section to ensure you have completed it as comprehensively as possible or you can assess the plan as a whole once it is all written. You may need to adapt the sections to make it appropriate to your business.

Answer the questions for each element and then use the rating scale at the end to assess each section.

1. Executive summary

Key elements	Yes	No	Is the answer complete?
Have you provided succinct highlights of the plan?			
Does the executive summary stand alone? (If someone reads nothing else, does it make sense?)			
Have you kept it to no more than two pages?			

2. Background/context

Key elements	Have you covered this in the plan?	Is the answer clear?	Is the answer complete?
How has your business developed over time?			
What have been your key successes to date?			
What issues might you want to address going forward?			

3. Vision, mission, values

Key elements	Have you covered this in the plan?	Is the answer clear?	Is the answer complete?
What type of business are you in?			
What is your purpose or long-term vision?			
What do you do, who for and where?			
What are the underlying beliefs or values that drive your business?			
How are you distinctive?			

4. Delivery aims and objectives

Key elements	Have you covered this in the plan?	Is the answer clear?	Is the answer complete?
What are the key areas of your business activity?			
What are your artistic activities and how will they be developed?			
What are your education or outreach activities and how will they be developed?			
What products do you offer and how will they be developed?			
What services do you offer and how will they be developed?			
What do you offer that is distinctive?			
What targets have been set for each area of your activity?			

5. Marketing

Key elements	Have you covered this in the plan?	Is the answer clear?	Is the answer complete?
Who will be your customers/beneficiaries?			
How big is your market, segment, sector or the field you work in?			
Who are your competitors – direct and indirect?			
How successful are they?			
Do you have a pricing strategy?			
Do you have clear routes to market?			
What is your marketing strategy?			
What is your audience development strategy (where appropriate)?			

6. Organisational capacity and capability

Key elements	Have you covered this in the plan?	Is the answer clear?	Is the answer complete?
Who manages the business?			
How do you develop people involved with your business?			
What are your core issues and challenges in running the business?			
What skills and experience do you need going forward?			
How is your business governed?			
How will you develop your structure and processes going forward?			

7. Finance and resources management

Key elements	Have you covered this in the plan?	Is the answer clear?	Is the answer complete?
What is your financial model?			
What is your expected monthly cashflow for the first year?			
What is your break-even point?			
How do you see your income and expenditure working over the next three years?			
How do your various activities contribute financially to the business?			
What are your total financial needs?			
What are your funding sources?			
What assets does your business own?			

8. Monitoring and evaluation

Key elements	Have you covered this in the plan?	Is the answer clear?	Is the answer complete?
How do you monitor your progress?			
How do you know if you have achieved your targets?			
What changes do you want your business to make?			
How does monitoring inform your decision making?			

9. Risk assessment

Key elements	Have you covered this in the plan?	Is the answer clear?	Is the answer complete?
What potential problems have you identified?			
Have you calculated the risks?			
How will you mitigate those risks?			
What alternative courses of action exist?			

10. Appendices

Key elements	Have you covered this in the plan?	Is the answer clear?	Is the answer complete?
Have you included any additional documents, agreements or visuals to support the plan?			
Do you have formal evidence or external advice to support your plan?			
Are there any other relevant supporting documents?			

Now rate each section based on the answers you have given above:

Section	1	2	3	4
Executive summary				
Background and context				
Vision, mission and values				
Delivery aim and objectives				
Marketing				
Organisational capacity and capability				
Finance and resources management				
Monitoring and evaluation				
Risk assessment				
Appendices				
Total points				

4 = very good, 3 = good, 2 = fair, 1 = poor

Scoring:

- 40 points: outstanding. Looks like a great plan!
- 24-39 points: looking good. The plan is well on its way
- 13-23 points: some areas may be covered in detail but others need developing
- Below 12 points: the plan needs a lot more research and development

Take the next step

A number of business plans are publicly available on the internet. Find one that interests you. Use the criteria to review and critique it. Looking at your critique, how would you improve it? Who do you think the audience is for the plan?

Top tips

- Remember that your business plan should be a living document. You are its first audience
- Consider who else has an interest in your business and the criteria they might use to evaluate your plan
- Leave yourself time during the plan-writing process to review it and use the assessment criteria