

# Draft 1

**Business plan  
for the  
establishment of an  
.....  
company**

## **Index**

| <b>Content</b>                                 | <b>Page</b> |
|--|-------------|
| <b>1. Executive Summary</b>                    | <b>3</b>    |
| <b>2. Market research and analysis</b>         | <b>3</b>    |
| <b>3. Economics of the Business</b>            | <b>4</b>    |
| <b>4. Marketing Plan</b>                       | <b>6</b>    |
| <b>5. Design, Layout and development plans</b> | <b>8</b>    |
| <b>6. Operational Plan</b>                     | <b>9</b>    |
| <b>7. Management team and staff</b>            | <b>9</b>    |
| <b>8. SWOT and critical risks</b>              | <b>10</b>   |
| <b>9. Financial Plan</b>                       | <b>11</b>   |
| <b>10. Start-up capital requirements</b>       | <b>11</b>   |

## 1. Executive Summary

Without a thoroughly thought-through and complete business plan, no company or organisation will be able to get off the ground. This document will provide some background as to why this is reasoned to be a viable business idea, together with the logistical arrangements as to how this business can be started and operationally rolled out.

The WHATEVER industry in this particular area and especially .... is far from saturated and with the added benefit of having a history in this type of business, this will be the ideal business opportunity for the incumbent to operate this type of business in the current economic climate.

The operational plan and management division of this business will...(expand)

The business will entail.... (expand)

Key to our success will be the successful marketing and launching of the business to get the business established before word-of-mouth sets in.

## 2. Market Research

Admittedly, there is a vast variety of competitors available in this industry and the main competition can be described as.... (expand), but currently, we believe that we will be able to compete with our unique offering.

If we look at the existing options available in the area and current industry, they are:

- Provide examples of similar offerings, e.g. XYZ Guest House (4 stars at R1777 pp pn)
- Xyz Boutique Guest House (4 stars at R2200 pp )
- XYZ Hotel in a nearby town (R2500 pn)
- XYZ Lodge at V&A Waterfront (3 star at R1860 pp pn)

To thus charge R.... per person for our service/accommodation/product offering will be highly competitive with the added extras of :

- List the products or extras
- List the extras
- List the extras

Furthermore, the market research conducted has indicated that.... (expand on your specific competition in your industry to show you have looked at what the competition is doing)

### **3. Economics of the business**

#### **3.1 General Description**

The idea is to start with...(provide the service or product offering with additional information to fully explain what the business will be about):

- Product A
- Product B
- Product C
- Product D

If there is a service offering, the economics of the service offering should be described in detail.

If there is a product offering, the product acquisition, manufacturing or production should be described in detail here.

The sales or marketing of how to reach potential customers should be described here.

#### **3.2 Fixed and Variable costs**

Fixed costs each month will include the following (adapt to suit your own):

- For example of an Air BNB apartment rental
- Base electricity per apartment
- Rates and Taxes per apartment
- Water per apartment
- Cleaning fee once-off
- The basic salary of the check-in person
- Contract cell phone for the check-in person with a fixed amount of airtime (there may be an added variable component to this)

Variable costs each month will include

- Condiment / welcome gifts for each new customer

- Cleaning after each stay
- Commission for check-in person
- Washing of linen costs until own Laundromat has been created
- Electricity and water cost based on occupation ratio
- Variable cellphone cost depending on return calls which LL had to make.

### 3.3 Months to breakeven

The months it will take before a stage of break-even is reached is estimated at .... And for a detailed financial overview, refer section below..

### 3.4 Months to reach positive cash flow

To be inserted after financial plans are completed.

### 3.5 Initial Cost of business set-up

The start-up costs at a current estimate are that Rx will be needed to commence with the business.

To commence with production/manufacturing / be ready for the first clientele to whom we plan to provide the following service offering: we will require a list of the following items to be acquired from the following suppliers at these costs.

Obtain at least 3 quotations or estimates to indicate that you have done sufficient homework and present the information in a table format.

| Nr. | Item needed | Cost at Supplier 1 | Cost at nr 2 | Cost at nr 3 |
|-----|-------------|--------------------|--------------|--------------|
| 1   |             |                    |              |              |
| 2   |             |                    |              |              |

Other start-up costs include the following items which are costed or still have to be costed:

- Website design
- Company registration
- Cell phone for Logistics Lady (contract-based)
- Cellphone for Cleaning Lady (prepaid based) to send please call me
- Cost to advertise on websites
- Laptop for bookings

### 3.6 Profit potential

To be inserted after financial plans are completed.

## 4. Marketing Plan

### 4.1 Overall Marketing Strategy

A website to be designed is the first and foremost important aspect of our marketing strategy, as this is the way in which we will primarily communicate with our customers.

#### Social Media Advertising

The following social media is available at relatively free or affordable rates to introduce our service/product to the potential market:

- Facebook ads
- TikTok ads
- Instagram ads
- Mailing list advertisement with a link to our website
- WhatsApp to a regular clientele marketing list or WhatsApp group

The marketing strategy may vary to attract new people to our business. The following individual marketing ideas or campaigns have been designed by us for our product/service offering specifically:

- Explain how you will make people aware of what you are doing, sort of creating a vibe

- Advertise on existing websites for maximum exposure, eg if in the accommodation industry, these websites are available at a cost:
  - [www.booking.com](http://www.booking.com)
  - [www.villas.com](http://www.villas.com)
  - [www.tripadvisor.co.za](http://www.tripadvisor.co.za)
  - [www.capetownadvisor.com](http://www.capetownadvisor.com)
  - [www.lekkaslaap.co.za](http://www.lekkaslaap.co.za)
  - [www.trivago.co.za](http://www.trivago.co.za)
  - [www.capestay.co.za](http://www.capestay.co.za)
  - [www.safarinow.com](http://www.safarinow.com) (amend to suit own industry)
  
- Add any other unique ideas on how or where to market your business, e.g. schools, sports clubs, via sponsorships etc.

## 4.2 Pricing

To be inserted as per your unique product/offering

- Product A – offered at R x
- Product B – offered at R y
- Product C – offered at R z

## 4.3 Sales Tactics / Advertising and Promotion

Discuss all options and costs available to your new business

Mention - Website

Mention - Freebies

Mention - Maybe offer a reference/loyalty program,

## 4.4 Website

To be designed, either via a professional company if you can afford it, or pick a template from the internet and use that, even a stagnate page is better than nothing. A social media presence would also be advised, as this is the least costly option to create an online presence for your business

If you have friends or family with a small website and they do have a website that you can relate to, or think works well, use that contact and ask who they use for their website design and maybe if their supplier can offer you a similar type of design and an acceptable price? Use your

contacts.

## 5. **Design and Development Plans**

Products or offerings must be unique in this current highly competitive economic climate, thus make sure your creativity is at peak performance and that your products / raw materials that go into your service or product offering are individually sourced and of high quality.

Describe the design and sourcing process in detail to enable the financier to have a thorough understanding of the uniqueness of your offering.

- Eg if an apartment must be furnished in the accommodation sector, reflect in detail how this will be done to provide a detailed explanation:

*Beachhouse in the City theme (as an example only)*

This apartment will be our favourite and widely sought-after accommodation offering, as the majority of travellers who come from Gauteng have the notion that they associate Cape Town with the sea and the beach.

All furnishes will be in white or whitewashed wood, and the couch covered in a blue denim fabric. The scatter cushions will have a beach theme and can be purchased for cheap, but covered in a beach theme fabric (think white and blue seashells or lighthouses), these will also be for sale in our online shop on our website.

The canvas prints will be of waves breaking on the beach, which will become a sought-after item on our website, and the driftwood/seashell photos will be a favourite of many guests, also to be available in the online shop.

Magazines on the coffee table will have a beachfront cover to reiterate the beach house feel and the bedroom will have turquoise throws, lamp shades and turquoise candles in the bedroom. A nice sea touch will be a driftwood platter with sand seashells and driftwood items on the coffee table in the lounge and a smaller version in the bedroom. With smaller sea photos also in the bedroom.

All linen, towels and kitchenware will be in sea colours with real sea shells in the bathroom for a touch of authenticity.

## 6. **Operational Plan**

The ideal solution will be to operate the business in the following manner:

It will be best to describe the entire procedure from creating to sourcing to preparing or manufacturing until the final product or service offering is available for sale.

Insert a few paragraphs to describe the entire operation, so that a financier can comprehend fully how the business will work.

## 7. **Management team and Staff**

At the beginning for the first 3 months, we may be able to operate with minimalist staff and the following staff members will be needed to commence the business, with duties explained below:

Person A (insert name) to be responsible for: *(to be amended)*

- 1) Tweaking the pro forma financial statements to a more viable option
- 2) Registering a company format
- 3) Opening of bank accounts
- 4) Source a website / graphic designer to assist with our website
- 5) Oversee the bank account and confirm payments from any of the 4 leading banks for the first 3 months, can outsource this function in time when too busy.
- 6) Growth planning and projections

Person B to be responsible for: *(to be amended)*

- 1) Operations
- 2) Oversee the running of the website and/or bookings
- 3) Customer calls
- 4) Sourcing of all back-up stock
- 5) Sourcing of all condiments/complementary items on an ongoing basis
- 6) Advertising on social media, eg. Facebook
- 7) Growth planning

Logistics Lady (amend as per your industry-specific

- 1) Website bookings check
- 2) Check-in of guests
- 3) Check-out of guests
- 4) Oversee cleaning function has been performed adequately
- 5) Immediate response for missing items
- 6) Sourcing of breakfast items before check-in
- 7) Laundromat drop-off and collection for the first 3 months

As the business grows more staff to be appointed.

## 8. **Swot and Critical risks**

A SWOT analysis is critical for any business to anticipate what the market will look like when we enter the business sphere and how we will counter any of the negative points.

Strengths

- Add your business' strengths
- List as many as possible
- Keep on listing

Weaknesses

- Limited experience in this type of business
- Have not run a customer-based website before
- Add all the weaknesses you can think of that are realistic

Opportunities

- A huge variety of opportunities exist
- List them all
- Keep on listing

Threats

- Have to list all potential threats
- Keep on listing

9. **Financial Plan**

To be completed and inserted. Help can be sourced on this website at a nominal fee.

It is usually done in a 3 to 5-year projection, broken down on a month-to-month basis and it provides all estimated income and expenses and indicates when the breakeven point is reached.

10. **Start-up capital**

List the required amount of start-up capital required and make sure to pad it a little bit, not too much as any financier will look at it from a base of knowledge.