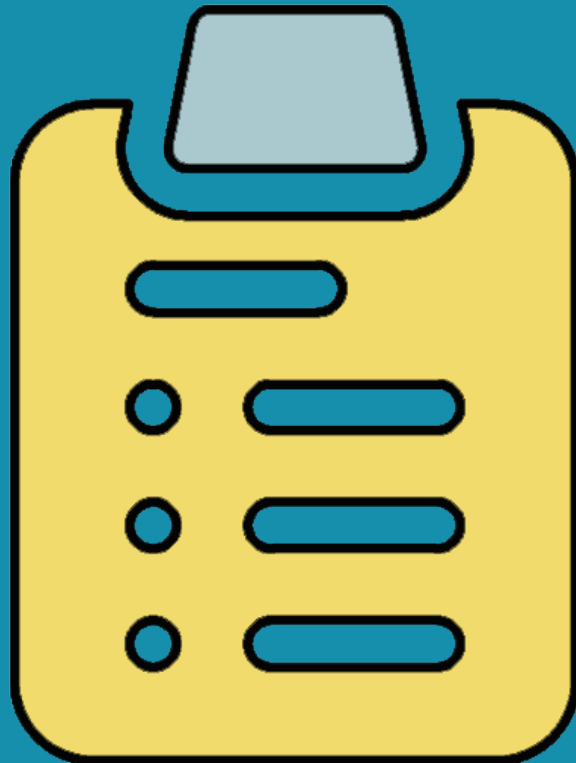





develop your
BUSINESS PLAN



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What is a business plan?



A business plan is a document that sets out who you are as an organisation, what guides the way you work, what your priorities are, and how you will go about achieving them.

There are different ways to produce a business plan. For example, Locality has produced a [simple general guidance on business planning](#). NCVO has more complete guidance on [business planning here](#). National Lottery Heritage Fund has produced [this guidance on business planning](#).

Why have a business plan?

It guides the direction of your organisation's work and sets out your mission, vision and values

- Vision – what you are trying to achieve.
- Mission – what you are in the business to do.
- Values – principles to guide you.

Helps keep you focused on your organisation's goals, by setting clear objectives

- Your organisation's objectives help you to achieve your mission.
- Organisations would usually have an objective which is focused on how that organisation is run.

Helps plan for resources and manage

By having clearly set out plans, you will be able to identify the resources you need to achieve your organisation's goals.



Resources include:

- People: staffing levels, volunteers, the range of skills your trustees might need to help support your governance.
- Training: what levels of skills training your people need to be effective in their roles.
- How much money you need: to run activities, and how much you need to fundraise during the time of your business plan.
- Premises: where you deliver services or run an office.

Helps to manage risk

By thinking about what might go wrong, and plan how you might respond, to minimise the impact of any risks your organisation might face. The Charities Commission has a useful guide to [Charities and Risk Management](#).

What to do with a business plan?

Trustees: Your trustees have a legal duty to have oversight of how your organisation's resources are used. You can read more about the legal duties of trustees [here](#) and a short summary of the [6 main duties here](#). A business plan will help trustees to:

- Know how your plans will be implemented.
- Assess the risks that might come up.
- Give input to ensure legal duties are met.

Strategy: How you manage your direction by responding to the changes that are happening around you? This could be changes in legislation, issues that affect your beneficiaries, or how new digital ways of working can help you respond more effectively to running your organisation.

Reviewing: You can plan the review points in your business plan. This might be part of your organisation's annual cycle of reporting, evaluating, planning, and can be included in staff and trustee away days, planning events with beneficiaries or other types of review.



7 key areas to address:

1 Organisational purpose, aims & objectives

You will find your organisation's purpose, aims and objectives in your governing document. Use these to set out what your organisation is in the business of doing, and the goals that will help achieve your organisation's purpose. When you set your organisation objectives, check that these are realistic and achievable.

2 Client need

Describe who your clients are, and the issues they face. Think about what these needs are now in the current climate. This section will show the reader that you understand what is happening in the community of people you are working with.

3 Strategic context - policy environment, issues affecting clients, how needs may change over time (ie. PESTL analysis)

The strategic context section is your assessment of what is happening in the world around your organisation. It helps you think about what might have an impact on how you run your business. This will help you plan how you will respond.

4 Assessment of organisational capacity (ie. SWOT analysis)

This section helps you to assess your organisation's strengths, weaknesses, opportunities and threats.

Strengths: What your organisation is good at. This can show you what you might want to develop in your organisation or what you might want to do more of.

Weaknesses: The challenges that your organisation faces. This can show you what you might focus on for improvement, or what you might do less of.

Opportunities: What opportunities exist that your organisation might want to take advantage of. This could help you plan for taking advantage of these opportunities and align these with your organisation's objectives.

Threats: What difficult challenges are coming up that your organisation faces. This can help you plan how you might respond to mitigate the threat, reducing the impact it might have on your organisation.



5 Plans for next 2-5 years (yr 1 in detail)

This section sets out when you will achieve the objectives you have set for yourself. It should be clear how your delivery plan will implement your organisation's objectives. The Charity Excellence Framework has some [useful guidance here](#).

- Consider organising your plans for each year under each of your organisation's objectives.
- Consider setting timescales to your plan. This should set out the milestones, or stepping stones, on the way to achieving these objectives.
- Consider setting achievable targets to reach for each of your organisation objectives.
- Consider setting a lead for activities in your organisation's plan. A lead will ensure that someone in your organisation is driving particular activity forward.

6 Resources required to fulfil plans

This section sets out the resources you need to deliver your plans. You should include a budget for year one of your business plan. Your budget should set out all the income and expenditure you expect over the next 12 months.

When you think about the resources you will need to fulfil your plans, you will want to include additional fundraising that you will do throughout the year of your plan.

It is strongly recommended that your organisation plans on securing a number of funds. Having a number of different funders will make your organisation less reliant on any individual funder.

7 Risk assessment and contingency planning

This section sets out the main risks you can see, their impact, and how you can mitigate and manage this impact. NCVO has some useful guidance on [how to manage risk here](#).

Zurich has a [guide to Risk Management](#) for public and voluntary sector organisations. It is comprehensive, and has risk assessment templates in it.

If your organisation needs help with developing a business plan, please get in touch with us:
info@thcvs.org.uk.

