FOUNDATIONS OF A BUSINESS PLAN

CUSTOMER PROBLEMS
An important part of building a successful business is identifying a problem that is worth solving for your customer or client. If there is no problem to be solved then there is no motivation for clients, it is a simple equation. The problem does not have to be complex, it can be simply “Business owners need efficient and effective business processes to manage and grow their business as well as met the many statutory compliance requirements”.

You also may choose a specialist direction for your bookkeeping business that you identify here.
There may be multiple problems that are solved by a selection of different services.

YOUR SOLUTION
Once you have clearly defined the problem to be solved, you need to provide a plain explanation of your solution.

Separate problems should be addressed by separate solutions – which for a bookkeeper would normally be identified by a specialist service offering.

BUSINESS MODEL
How will you make your money? Define here how you will sell the services that you have defined above, what are your modes of delivery and client engagement e.g. Skype calls to connect, remote access or site visits etc.

TARGET MARKET
It is often tempting to define a target market that is as large as possible, but that often means your business offering sounds diluted to many audiences. The better approach is to be fairly definitive about your ideal customers, perhaps segmented by the accounting software they use, the platforms, the industry in which they operate or even the sort of service they will require. For example, your target market may be “Businesses operating in the building and construction sector who would like to embrace technology and streamline their business processes into the cloud, including accounting and project management practices”.

COMPETITIVE ADVANTAGE
This section needs to answer the question “what makes you a better solution than other providers offering the same or similar services?”. This may be related to specialist understanding of a software or industry, your ability to service a client within shorter time frames or unique service offerings.

MANAGEMENT TEAM – ROLES AND RESPONSIBILITIES
Even though you may well be the sole person in your management “team” this section should capture the tasks you require to be completed as part of your business process and the skills required to complete those tasks, similar to a duty statement for an employed role. This gets you thinking about exactly what is required to not only manage your clients, your own business administration and compliance requirements, but also what is required to grow your business.

FINANCIAL SUMMARY
This really is the important (and motivating ☺) piece, how much income will you earn? What expenses will you have to meet?

For bookkeepers, as a service-based business, this section needs to include a comprehensive calculation of charge-out rates that you need to apply to your services to cover your expenses – and make some money!

FUNDING REQUIREMENTS
As your business grows, so does the importance of cash flow management, giving the capacity to organise cash shortfalls in advance of additional funds being required.

Identifying potential sources of funding as a back-stop position is relevant to this section of your start-up business plan.

MILESTONES
Set goals for your business, ensure that they are measurable and set time frames for achieving them. Milestone planning provides a great benchmark for showing the progress of your business and keeps you in check toward achieving them!

Most importantly – REMEMBER this is a work in progress that will grow over time in relevance and importance to your business!