

# Guide to Completing YEP Business Plan 2010/2011

## My Product/Service

This is the section where you describe exactly what your idea is about. What problem does it solve? Maybe your business is the only solution to the problem or maybe your business is not original but it's better than what is out there. If this is the case, explain why it is better. Remember the suggested words (cheaper, faster, better quality etc) are only examples. Another word might better describe why your business stands out.

You also need to include the steps you need to take to turn your idea to a business. Remember the last step should be 'launch the product/service' or 'open the door of the business'. Think back from there. What do you need to do in order to really start the business? Find suppliers, rental properties, outsourcing companies, costs, design the product, research your customers' needs etc.

## My Business Model

Your Business Model describes the way in which your company makes money. A restaurant's business model is to make money by cooking and serving food to hungry customers. A website's business model might not be so clear, as there are many ways in which these types of companies can generate revenue. For example, some make money (or try to) by providing a free service and then selling advertising to other companies, while others might sell a product or service directly to online customers.

The Business Model is all about how your business is going to make money and how the business operates from day to day. Think about whether you need to outsource any part of your business. That means getting someone else to

do some part of your business. For instance, if you are making a product, you may not have the capability to make the product yourself so you might need to pay a company to do that part for you.

How do you run your business to make a profit? Here you need to explain the main parts of how you operate your business. For example, if you are running a cafe you will have to decide how you will make your idea a real business that can make money and even a profit! These decisions could include the layout, the opening hours and most importantly the range of services/products available in your cafe. For example, will your cafe cater more for young people where they can hang out, listen to music and play video games? Or will your cafe focus on customers who want to eat a variety of foods and have a lot of money to spend? You might even decide to specialise in particular foods (vegetarian, vegan etc) and if so, will you make the dishes on the premises or will you buy them in readymade? If you decide to make them yourself you will need extra staff, equipment, stock, storage facilities, health and safety training and a restaurant license. You may decide not to do this, avoid these costs and buy in a certain range of foods. Remember, there is no right or wrong. Either way you can make money, but your decision must be influenced by the research you carry out on your competitors and what your customers want. The costs of setting up, the price you can charge and the funding or money you have available to you will also influence your decision.

In the SWOT you need to list the Strengths, Weaknesses, Opportunities and Threats of your business. Remember Strengths and Weaknesses are internal to your business, while Opportunities and Threats are external to your business.

Your team will be the people you might need to employ. What will these people do in your business and what skills do they need?

Check websites like [www.monster.ie](http://www.monster.ie) and [www.irishjobs.ie](http://www.irishjobs.ie) for jobs specs and salaries.

## My Customers - Part 1

Your customers are very important. Some customers will pay you for the product/service you sell them and other customers will be the user of the product service. For example, if you are selling baby products the baby's parents will buy your product not the baby. But the baby is the user of the product so you need to think about the baby's needs. Will the product be comfortable, safe etc.

Your customer might also be a business or an organisation. You might have a product that you will sell directly to schools, sports clubs, particular shops or businesses etc. You can research your customers online and find out how many employees they might have and where they are located.

## My Customers – Part 2

If your customers are private individuals you need to research them and find out information like their gender, age, income, what TV programmes and newspapers they might read and where they live. Research them online or maybe talk to them face to face and ask them to fill out a questionnaire.

## My Customers – Part 3

If the person who pays you is not the person who uses the product then you also need to research them and find out information like their gender, age, income, what TV programmes they might watch, newspapers they might read and where they live. While they don't pay you, you need to consider their profile and how you might advertise to them.

Why not be creative and draw your customer or compile a collage to profile your customer?

## My Competition

Every business has competitors! They may not offer the exact same product/service you are offering, but customers may still decide to buy from someone else. In order to find out what your competitors are offering you need to research them. Look at their websites or call to the company and find out information about them.

## My Marketing Plan

To make your business real you need to think of a name. You might think up a few names. Ask people their opinions on the names you have chosen. Also check if the website address is available – look up your business name on [www.register365.ie](http://www.register365.ie). Be creative and draw your own logo!

Now how will you promote your business? Will you advertise on TV, radio, internet etc? You might decide to use social networking and set up a Facebook page.

## My Sales Plan

In order to make money you must make sales. Will you sell directly to the person paying you for the product/service or will you use a distributor or retailer to sell your product?

If you are selling directly to the person who pays you, you can choose telesales, face to face selling or selling through your own shop or website.

If you are selling through distributors or wholesalers, find out who they are, where they're located and their web address.

## My Sanity Test

## Part 1

The Sanity Test checks how viable your business is. Can it make money? Can it make a profit?

### PRICING CALCULATIONS

What are you selling? Is it one product or a few different products? Or is it a service with a range of services offered? You then need to detail the product or service and think about all the things involved in making the product or service.

REMEMBER TO FIND OUT NUMBER OF UNITS SOLD PER MONTH YOU NEED TO CARRY OUT RESEARCH AND FIND OUT HOW MANY POTENTIAL CUSTOMERS YOU HAVE. WWW.CSO.IE IS A GOOD PLACE TO SEARCH POPULATION FIGURES AND STATISTICS. TO FIND OUT COST PRICE YOU NEED TO LOOK AT COMPETITORS AND SEE HOW MUCH THEY ARE OFFERING THE PRODUCT/SERVICE FOR.

UNIT DESCRIPTION	SELLING PRICE (€)	COST (€)	UNITS SOLD/MONTH
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

Fill out the scribble box to work out your average units.

TOTAL NUMBER OF UNITS TO BE SOLD PER MONTH  
(add everything in column 4) .....

AVERAGE UNIT SELLING PRICE  
(add everything in column 2 & divide by total units) .....

AVERAGE UNIT COST PRICE  
(add everything in column 3 & divide by total units) .....

### FINANCING CALCULATIONS

You may have some development costs involved in your business. For example you might have to develop a prototype or carry out market research.

General company set up costs include any one off costs that are not incurred every month. For example; registering your website domain name, registering your

company name, fittings and fixtures in an office/shop or an auctioneer's fee etc.

You need to think about how you might pay for these set up costs. Can you get grant aid? Call your local county enterprise board for details. Will you get a loan from the bank, your family or friends? Do you have your own savings? Will you get someone to invest in your business?

## My Sanity Test

## Part 2

Now start to complete the costings you will incur monthly and yearly. Just multiple your monthly figure by 12 to get the yearly figure. Fill in the sections:

### PRODUCT/SERVICE COSTINGS

**Total Units** • this is the total number of units to be sold per month

**Unit Selling Price** • this is the unit selling price including VAT

**VAT Rate** • this the VAT rate, it can only be 13.5%, 21% or 0%

**Unit Selling Price (Net VAT)** • this is the unit selling price excluding VAT

**Unit Cost Price (Net VAT)** • this is the unit cost price excluding VAT

**Unit Gross Profit** • this is the unit selling price minus unit cost price

**Unit Gross Profit %** • this is unit gross profit divided by the unit cost price (net VAT) x 100

### SALES REVENUE

**Sales Revenues** • this is unit selling price multiplied by units

**Less Cost** • this is unit cost price multiplied by units

**Gross Profit** • this is the sales revenue minus cost (cost is the figure entered in 'Less Cost' line)

### INDIRECT COSTINGS

**Your wages** • this is your own salary (minimum wage is 18,000 per year, 1,500 per month)

**Staff 1** • do you need extra staff, what will you pay them?

**Staff 2** • do you need extra staff, what will you pay them?

**Commission** • are you going to pay your staff

more money if they sell more products? Include the percentage commission you are going to pay.

**Employer PRSI** • you have to pay this at a rate of 10.75%

**Rent** • do you need a premises? Call an auctioneer for a price.

**Rates** • if you have a premises you must pay rates to the council. Ring them for a price. Include the percentage of rent you are going to pay.

**Phone/Internet** • call eircom or check their website for a price on a monthly package.

**Insurance** • there are different types of insurance. Call a broker to see which one you need.

**Third Party Commission** • will someone else sell your product? You need to pay them.

**Marketing** • think about where your customers are most likely to see your ads/promotions.

**Loan Repayments** • do you need equipment or land? How much will you repay on your loan?

**Light, Heat & Waste** • call ESB and your local county council for a quote.

**Professional fees** • you may need a solicitor or accountant from time to time.

**Miscellaneous** • this is cover other things that may crop up in a month. List what they are and what they cost.

REMEMBER ALL OF THESE REQUIRE YOU TO CARRY OUT RESEARCH. WHY NOT DIVIDE SOME AMONGST THE CLASS? SOME CALL THE COUNCIL, SOME CALL AN AUCTIONEER, SOME CALL AN INSURANCE BROKER ETC.

## My Business Pitch

The Business Pitch is a five minute business description of your business idea and why someone should work with you. It should provide an explanation of the business in five minutes.

### IT SHOULD ANSWER THE FOLLOWING BASIC QUESTIONS

- What is your product or service? Briefly describe what it is you sell. Do not go into detail.
- Who is your market? Describe who your customer is, the industry and size of the market.
- What is your business model? Tell them how you will make money.
- Who is behind the company? Briefly outline who your team is and any achievements

- Who is your competition? Everyone has competitors, outline who they are and what they have accomplished.
- What is your competitive advantage? Explain how and why your company is different.

### HERE ARE SOME TIPS FOR YOUR BUSINESS PITCH!

- Must be clear and concise
- Stress the benefits, not the features
- Only enough time to focus on important key priorities
- Use non-technical language – otherwise your reader/listener won't understand and you will have lost your opportunity.
- Use words that create a visual image in your readers/listeners mind, it will make your message more memorable

## Useful Websites

### SEARCH ENGINE WEBSITES

[www.google.ie](http://www.google.ie)  
[www.google.com](http://www.google.com)  
[www.bing.com](http://www.bing.com)

### POPULATION STATISTICS

[www.cso.ie](http://www.cso.ie)

### SALARY SCALES/JOB SPECS

[www.irishjobs.ie](http://www.irishjobs.ie)  
[www.monster.ie](http://www.monster.ie)

### LANDLINE/MOBILE AND BROADBAND PROVIDERS

[www.eircom.ie](http://www.eircom.ie)  
[www.vodafone.ie](http://www.vodafone.ie)  
[www.02.ie](http://www.02.ie)  
[www.three.ie](http://www.three.ie)  
[www.meteor.ie](http://www.meteor.ie)

### HEAT AND LIGHT COSTS

[www.esb.ie](http://www.esb.ie)  
[www.bordgais.ie](http://www.bordgais.ie)

### WEBSITE DOMAIN NAME

[www.register365.ie](http://www.register365.ie)

### PROPERTY COSTS

[www.daft.ie](http://www.daft.ie)

### VAT

[www.revenue.ie](http://www.revenue.ie)

### OUTSOURCING ABROAD

[www.alibaba.com](http://www.alibaba.com)

### REGISTERING A BUSINESS NAME

[www.cro.ie](http://www.cro.ie)

### COMPANY PROFILES

[www.cortera.com](http://www.cortera.com)  
[www.hoovers.com](http://www.hoovers.com)

### NEWSPAPER ADVERTISING RATES

[www.nni.ie](http://www.nni.ie)  
[www.kerryseye.com](http://www.kerryseye.com)  
[www.kerryman.ie](http://www.kerryman.ie)  
[www.limerickleader.ie](http://www.limerickleader.ie)  
[www.corkman.ie](http://www.corkman.ie)  
[www.the-kingdom.ie](http://www.the-kingdom.ie)

### OUTDOOR /BILLBOARD ADVERTISING RATES

[www.jcdecaux.ie](http://www.jcdecaux.ie)  
[www.clearchannel.ie](http://www.clearchannel.ie)

### TV ADVERTISING RATES

[www.tvsales.rte.ie](http://www.tvsales.rte.ie)  
[www.tv3.ie](http://www.tv3.ie)

### RADIO ADVERTISING RATES

[www.radiokerry.ie](http://www.radiokerry.ie)  
[www.spinsouthwest.com](http://www.spinsouthwest.com)  
[www.redfm.ie](http://www.redfm.ie)  
[www.rte.ie](http://www.rte.ie)  
[www.todayfm.ie](http://www.todayfm.ie)

### CURRENCY CONVERTER

[www.xe.com](http://www.xe.com)

### RETAIL DATA

[www.rgdata.ie](http://www.rgdata.ie)

### LEGAL INFORMATION

[www.citizensinformation.ie](http://www.citizensinformation.ie)

### COUNTY ENTERPRISE BOARDS

[www.enterpriseboards.ie](http://www.enterpriseboards.ie)