



Funding Guides



FUNDING GUIDE 6 : Developing a Business Plan

A Business Plan is usually only required for larger projects involving a more complex mix of capital / revenue funding. However, it is also a useful tool for smaller projects to define mission, evaluate growth or simply to provide guidance for enabling greater success. While each project will benefit from its own unique plan and the basic elements are the same in all Business Plans, the amount of detail required will vary with the size of the project. Notably, some funders will require a Business Plan as part of the funding bid and may offer guidance on what they want it to contain. Any preliminary work carried out by yourselves will simply need adapting to fit the funder's requirements.

The Business Plan is where you convince the world that there is a genuine need for what you propose and that you are the group to meet the need.

For larger projects where, perhaps, a Feasibility and / or Community Audit has been carried out, all the information you gathered will need to be used in your Business Plan (For details on Feasibility Studies / Audits visit faithworks at www.faithworks.info).

1. INTRODUCTION PAGE

- Organisation's name
- Project title
- Contact name and details
- Don't be afraid to use relevant photos/pictures
- Don't begin with long introductions and unnecessary explanations

2. SUMMARY

The first page of your Business Plan should be a persuasive summary that will entice a reader to take the plan seriously and read on. The Summary should follow the cover page and not exceed two pages in length. This is the last page you write which summarises the Business Plan. It gives the reader a brief, but accurate summary of Who, What and How and should include:

- A brief description of your project
- Your project objectives
- A description of the services you already offer
- A description of the services you intend to offer
- A persuasive statement as to why and how you will succeed, discussing why your services will be an advantage over other services provided in the area
- A brief description of your key management team
- A description of funding requirements, time span and how funds will be used

It is important for the reader to thoroughly understand what your project is offering or the services you currently provide or plan on providing. However, it is important to explain this section in layman's terms to avoid confusion. Do not overwhelm the reader with unfamiliar 'jargon'.

It is also important to discuss the competitive advantage your project / service has over other similar projects / services in the area. Or, if your project covers services/facilities not already

available to the community you should explain why there is a need for what you are offering - what makes your project / service unique? What advantage does your project/service have over others in the area?

3. YOUR ORGANISATION

- When your funding group was established
- If a Parish, explain that it is governed by the PCC Powers Measure and the Church Representation Rules (Governing Documents approved by the Charity Commission)
- Have you any achievements in / for your community?
- What do you currently do?
- Who benefits from what you currently do
- Do you have any ecumenical / secular links?

As Appendices: Annual Report and Signed Accounts, Letters of support and any good publicity.

4. PROJECT INTRODUCTION

- Give a summary of Project aims and objectives
- Why is it needed?
- What do you expect its impact to be?

Consider who is reading the plan, as different funders have different priorities. Investors look for projects that have thoroughly researched and identified a need so include all your research data. If you have existing users of your facilities / services provide an analysis of who your users are including numbers, frequency of use, etc. This section is extremely important because funders are not likely to financially support a project without evidence of need.

- If you are redeveloping buildings, include planning, leasehold details, etc.
- Jobs created
- Environmental improvements
- Community benefits

5. AUDIT INFORMATION

Give the results of your research and the analysis of the information:

- Show how you have projected numbers
- How you have calculated any charges
- Details of any competition

As Appendices include: Letters of intent for potential users of a building; Sample questionnaire forms

6. IF A BUILDING PROJECT INCLUDES A SECTION ON CAPITAL FUNDING REQUIREMENTS

- Summarise all your costs including fees, equipment, legal expenses and VAT in a table
- Summarise your fundraising achieved and projected

As Appendices include: Copies of tenders and quotes; Copies of offer letters from funders

7. PEOPLE

- Detail your management committee
- What skills do you already have?
- Do you have volunteers?

- Have you / do you need training?
- Provide an organisational chart with chain of command and listing duties
- State clearly who is responsible for the final decisions

It is important to show that you are a financially competent body. For most investors the experience and quality of the 'management' team is the most important aspect they evaluate when investing funds. Investors must have confidence in the team managing the project. If you are a PCC used to dealing with an annual turnover of £35,000 you may need to obtain external support in managing a £150,000 building project. Most local banks operate schemes to give financial administration support to community projects. If your team lacks in a critical area, identify how you plan on compensating the void. Whether it is additional training or external assistance needed, show that you know the problem exists and provide options for solutions.

8. CASH FLOW & LONG TERM FINANCIAL PROJECTIONS

In this section, the information gathered in your feasibility study (if carried out), together with staff and your other proposals are converted into hard cash. Where a Feasibility Study has not been carried out you will need to ensure to include all costs such as staffing, workspace, equipment, etc.

Show the information on an Income/Expenditure table:

- Try to be accurate and realistic
- Include everything
- Document all assumptions you make, i.e. if you base your income for an After-School Club on 80% use, say so
- It is also good to show what will happen if demand drops, or costs increase.

You need to show that once up and running your project is financially viable. Some funders will normally expect your financial predictions to be extended over a 5-year period.

9. MONITORING AND EVALUATION

Details of monitoring systems set up at the start of your project should be included in the Business Plan to show how the project intends to monitor / evaluate and identify if the project has achieved its outcomes / outputs (See information sheet FG20 Monitoring & Evaluation).

The Business Plan should clearly show how you will measure your 'Outputs' eg numbers of people accessing your project / services and your 'Outcomes' the benefits from your project eg numbers of people being enabled and empowered because of your service. In the case of a building project you could say, as example, that the Project Manger / Management group will oversee building and progress against a plan and payments made against an agreed schedule.

As appendices: submit sample questionnaires / monitoring sheets, minutes from focus group meetings, weekly / monthly records of activities/outputs.

Supporting Documentation:

You must provide any documents which will help support statements made in the Business Plan. Some items which may be included are:

- Resumes
- Quotes or Estimates
- Letters of Intent from prospective users
- Letters of support from credible people you know
- Census/Demographic data

Finally:

After all the hard work of gathering information and evidence and carefully considering the terminology used, your Business Plan should be presented to the best of your ability. The completed Business Plan should be bound. For internal purposes a three-ring binder works well. Additions and changes can easily be placed in binders. For Business Plans that are to be circulated to a potential funder, many types of folders and binders can be purchased and used.

Once the Business Plan is completed, it should not only be used for funding purposes but should become an operational tool to measure the success of the project. The plan should be updated as milestones are reached.

For further assistance in producing a business plan you can purchase software to help you through the process from www.thetoolfactory.com

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These Funding Guides have been developed by a “Good Practice” group of the National Stewardship Committee of the Church of England and are intended to support your church’s fundraising. They are available on-line at www.parishresources.org.uk/funding or at www.churchcare.org.uk/funding.php