

The information below is an overview of requirements and for further more detailed information, support and guidance etc please contact the BVA Group Development team via telephone 01256 423816 or email admin@bvaction.org.uk (please quote "BVA Group Assistance" on title).

What Funders need to see in a business plan

If you are considering an application to a funding body you may need to produce a business plan which includes specific information on your proposal.

Most voluntary and community organisations now have a strategic business plan covering the operation of the entire organisation. If you already have a business plan then you do not have to rewrite this as long as it covers all the following points. If it doesn't then you can add the additional information as appendices to your original document.

What is a business plan?

A business plan demonstrates that you are ready for investment. It should contain information about your organisation including its aims and objectives, background, internal structure and ability to deliver your proposal.

The plan should state what you want to do and why, how you will finance and manage the proposal, and exactly how any funding will be used.

Why prepare a business plan?

A good business plan:

- shows that your plans are feasible and realistic
- demonstrates that your organisation can successfully carry out your proposal
- helps you plan for the future and highlight risks and opportunities
- assesses strengths and weaknesses and guides your organisation's activities
- shows how you will monitor success and manage setbacks

The preparation of your business plan should involve key staff, committee members, volunteers and service users if appropriate. It is an opportunity to consult with a wide range of people and find out their views. This will help to ensure that everyone in your organisation understands and is happy with the business plan. If everyone is in agreement your organisation is more likely to achieve its aims.

What to include in a business plan?

Your business plan will reflect your organisation and its proposal. The following is a list of some of the things Funders will need to see:

1. Your Organisation

A statement setting out its aims, its history (why, when and how was it formed), the background to its work (for example, information about your area or the people you serve) and its finances (a statement of income, expenditure, assets and liabilities over the last 3 years, and a cash flow projection for the coming year).

2. Your People

A description of the skills and experience of your committee members, trustees / directors, staff and volunteers may be required, also a statement explaining how your organisation manages any change in staff, volunteers, trustees or directors. You may want to include a diagram showing your staffing structure.

3. Your Work

A description of the services you provide and who they benefit. You might want to include a diagram showing how different services fit together. You should provide an overview of all your organisation's current activities, including a description of how they are managed and financed.

4. Your Proposal

A description of what you propose to do, why you want to do it, how you will do it and how you will know that you have been successful. This should include detail about how your proposal will be managed, staffed, marketed, evaluated and financed.

You should describe how your proposal differs from what you do now and provide evidence of why it is needed, and why it is the best option to meet your aim. This should include an analysis of the need for the proposal, a survey of similar or related services provided or planned by other organisations, and an options appraisal to show that you have considered different ways of achieving your aim. You should also show links between your proposal and relevant public sector priorities.

5. Your Proposal's Finances

A description of how much your proposal will cost and how you will fund it, including details on how much of your funding package is already secured and when you expect any outstanding funding to be secured. You should explain why funding is required, and the other options you have explored to fund your proposal. You should specify if there are religious constraints on the type of finance you can take.

You should try to include a cashflow forecast. Cashflow forecasts show how much money you will receive and spend together with the balance you expect to have at the end of each period, and an annual forecast for the life of your proposal.

Funders will use this information to check that your financial planning is sound. It will also show that your proposal will be financially healthy and that there is a viable investment to be made.

Backing up your Plan

Your business plan must show that your proposal will work. You should include an analysis of the risks involved, details of the assumptions you made when planning and how you will react if things do not go to plan.

Putting your plan into practice

You should include a timetable of key tasks and activities or a work plan for the first year of your proposal. You should also explain how you will monitor and review your plan and who will be responsible for this.

Proposals including property

If your proposal includes buying land or buildings, or involves building work, Funders would expect your plans to be well developed (to the equivalent of Royal Institute of British Architects Stage D).

You should describe the stage of progress of your property plans including details of your options appraisal; the professionals you have engaged and your plans for project management; the brief given to your architect; the source of your costings (whether these come from a quantity surveyor or similar building professional); and an indication of the progress of your planning application.

You should include a statement on access to demonstrate that you have considered the needs of all potential users. You should also clearly state the tenure on the property as most Funders will require a minimum of 5 years guaranteed tenancy before considering the funding of building work.

How detailed should a business plan be?

Just as the content of your plan will depend on your organisation and on the proposal being put forward, so will the amount of detail you put in. You may need to include more detail if your work is complex or new.

If you are a new organisation you should describe why you were set up. If you are a more established organisation you should focus on your track record.

Make sure that the specific proposal you want us to invest in is easily identifiable within your business plan.

Presentation

You should look to include a contents page and a one page summary providing an overview of your proposal and key financial information relating to that proposal, including the level of funding required.

Source: BVS & Bucks Funding Group