Business Planning

* **What is a business plan?**
* **Why is a business plan important?**
* **How is a business plan prepared**
* **Unit Costing’s**
* **CBA 1**

**The Business Plan**

**Any individual or group looking to set up or expand a business will need to prepare a *Business Plan***. **A Business Plan acts as a management tool that can be referred to regularly to ensure the business is on course with meeting goals, sales targets or operational milestones.**

The most important task when setting up a business is to plan.



Reasons why you need a business plan

* **To apply for a loan**
* **Raise finance from investors or get a grant**
* **To establish goals**
* **To set targets**
* **Map of how the business will be run**

**A Business Plan will set out the following:**

* **Who is running the business**
* **What is being made or produced**
* **How it will be produced**
* **Marketing Plan**
* **Financial Plan- where the money will come from**
* **Sales Plan- Forecast**
* **Profit margin expected**



**Sample Business Plans will be given to students in class and we will practice Business Plans as part of our studies.**

**Costings**

**There are two types of costs for a business**

**Fixed-** **Stay the same**

**Variable-** **change upon usage- increase or decrease depending on production**

***Fixed Costs + Variable = Total Cost***

**Cost per unit =** **Total Cost/ Unit Produced**

***Example***

**Fixed Costs = 20, Variable Costs = 30, Total Units Produced =100, Calculate cost per unit.**

**20 + 30 = 50**

**100/50 = €2 per unit**

**CBA 1**

This is a group task but students will have to provide an individual reflection as part of their grade for this assignment. This task is due in by Friday March 16th.

