

Guidance on completing the VP Bank Business Plan for small and medium-sized enterprises (SMEs)



Name of the company:

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Basic concept

In order to be able to answer questions about the location and the situation of your company, it is important to carry out a precise analysis of the company itself and its environment.

The objective is for you to recognise your own company's strengths and weaknesses and identify the opportunities and threats in its environment.

This analysis will reveal key questions and action required.

The business plan is the central instrument for comprehensive corporate planning. We have provided this simple and straightforward instrument to help you carry out your analysis.

Recommended procedure

Print out this guidance document.

Develop the business plan step by step. Implement the plan.

Keep to the sequence of steps in the process.

Allow yourself plenty of time to choose the right location.

The more precisely and thoroughly you carry out the preparation, the easier it will be to subsequently implement the business plan.

1. Choosing a location

Analyse your company's situation and its environment. This will enable you to identify the key questions and the action required.

2. Business concept

Formulate your business concept and check that it is compatible with market conditions.

3. Drawing up the business plan

Transfer the information into the business plan proper.

4. Controlling

Regular comparisons between expected and actual figures enable you to ascertain whether your company is on course and where any adjustments may be required.



Questions

What customer needs do our products meet?

How large is the potential market for the products we offer? (geographically/in terms of volume)

What are the main customer groups which we intend to offer our products to?

Who are our competitors? In which respects are we better and in which respects are we weaker than our competitors?



What sort of prices can be achieved with the goods/services we offer?

What costs are involved in providing our goods/services? How high are these in relation to the returns which can be achieved?

How will prices and profit margins develop in the long term?

Conclusion:

We will succeed with our business concept for this reason:

Adjustments and corrections are required in these areas:



Profit planning

Define the financial targets for the next three years.

1. Base this planning on the results of your self-analysis and your business concept.
2. Define ambitious, but achievable targets.
3. How are the targets to be achieved?
4. How is a conflict of targets (achieving targets and making investments) to be avoided?
5. Is there sufficient equity to finance any investment required?

Target turnover and margins (GM = gross margin)



Customer segment	Products and services	Year.....		Year.....		Year.....	
		Turnover	GM in %	Turnover	GM in %	Turnover	GM in %

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Table in CHF thousands



Year	Year	in %	Year	in %	Year	in %
Operating income derived fom goods and services						
+ Goods/services on own account						
. /. Income reduction						
<u>Operating income derived fom goods and services</u>						
. /. Materials costs						
Gross profit						
. /. Staff costs						
. /. Expenditure on premises						
. /. Maintenance and repair						
. /. Other operating expenses						
. /. Depreciation						
. /. Interest						
Operating profit						
Operating cashflow (operating profit + depreciation + changes in reserves)						
+ Extraordinary and non-operating income						
. /. Extraordinary and non-operating expenditure						
. /. Taxes						
Company profits						



Competition analysis

The five main competitors should be assessed to identify the degree of competition they represent.

Like should be compared with like.

Competitors should be selected from beyond as well as within the immediate region.

Not only current competitors should be considered but also those who could play a role in the future.

Competition analysis				
Name and address of the competitor:				
Criterion	Description	Compared to us		
		+	=	-
Turnover				
Regions served/ comparison of market share				
Product range/ quality/choice				

Price segments/ price comparison/ services provided				
Sales/strategy/ canvassing activities				
Core competences (main strengths)				
Weaknesses				
Remarks				

Ongoing controlling

1. Define the relevant key figures.
2. Transfer the key figures from the annual budget.
3. Break the annual budget down into quarters.
4. Compare the figures actually achieved with the planned budget on a quarterly basis.
5. Answer the question as to why the discrepancies have occurred.
6. Take action to ensure that the annual target can nonetheless be achieved (who, when, how).
7. If the target can no longer be achieved, calculate the expected figures (adjusted budget).



Controlling der Geschäftstätigkeit

Key figures	Planned as at in CHF 000s	Actual as at in CHF 000s	Discrepancy	
			in CHF 000s	in %
Turnover				
Margin on turnover				
Staff costs				
Materials costs				
Cashflow				
Inventory				
Receivables				
Cash and cash equivalents				

Annual budget in CHF 000s	Expected figures as at 31.12. in CHF 000s	Expected discrepancies in annual budget in CHF 000s

Cause of the discrepancy

Action	Person responsible	Date

Monitoring of implementation

As at:

Checked/approved:

Action no.	
Brief description	
Current state of implementation	
Effects to date	
Discrepancies from expected effect	
Analysis of cause of discrepancy	
Action required	
Next steps	
Remarks	
Next monitoring date	

Action plan

As at:

Checked/approved:

Action no.	Description	Person responsible	Dates		Effects in CHF 000s		Resources required
			Start	Target	Year	Year	