How to use this document: delete this paragraph before saving, sharing, or circulating it. Every part shown in blue is yours to replace: type your own details over each blue **[field]** until no blue remains. Add or remove table rows to fit your needs. Then select all (Ctrl+A) and set the font colour to the same dark colour throughout. What is left is your finished document.

# Annual Business Plan

## [Company name]

This annual business plan sets out what **[Company name]** will do in the plan year **[Plan year]**, how it will do it, and how success will be measured. It covers the whole business: what we sell, who we sell it to, how we operate, how we market, what it will cost, and what could go wrong. It is the single reference document for decisions during **[Plan year]**.

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| Document details | Entry |
|---|---|
| Company | **[Company name]** |
| Plan year | **[Plan year]** |
| Plan period | **[Start date]** to **[End date]** |
| Prepared by | **[Author name and role]** |
| Approved by | **[Approver name and role]** |

| | |
|---|---|
| Version | **[Version number]** |
| Date | **[Date]** |
| Review date | **[Review date]** |

## 1. Executive summary

**[Company name]** is a **[Business description, for example: provider of office support services]** based in **[Location]**. In **[Plan year]** we aim to grow revenue to **[Annual revenue target]** and serve **[Number]** customers, while keeping costs within the budget set out in section 9.

Our three priorities for the year are: first, **[Priority 1]**; second, **[Priority 2]**; and third, **[Priority 3]**. Each priority has an owner, a budget, and a measurable target, listed in section 3.

We expect the year to end with **[Expected outcome, for example: a larger customer base, a stronger cash position, and a team ready for the following year]**. This plan explains how we will get there and what we will do if conditions change.

## 2. About [Company name]

**[Company name]** was founded in **[Year founded]** and employs **[Number of employees]** people. Our registered address is **[Registered address]**. We are owned by **[Owner or owners]**.

Our purpose is **[Purpose statement]**. Our values are **[Value 1]**, **[Value 2]**, and **[Value 3]**, and they guide how we treat customers, suppliers, and each other.

| Item | Detail |
|---|---|
| Legal form | **[Legal form, for example: limited company]** |
| Main location | **[Main office address]** |
| Website | **[Website address]** |
| Main contact | **[Contact name]**, **[Contact email]**, **[Contact phone number]** |
| Number of employees | **[Number of employees]** |
| Main products or services | **[Main products or services]** |

## 3. Objectives for [Plan year]

Each objective below is specific, measurable, and owned by one person. Progress is reviewed at the monthly management meeting and reported to **[Approver name and role]** each quarter.

| Objective | Target | Owner | Due date |
|---|---|---|---|
| Grow revenue | **[Revenue target]** by **[End date]** | **[Owner name and role]** | **[Date]** |
| Win new customers | **[Number]** new customers | **[Owner name and role]** | **[Date]** |
| Improve customer satisfaction | **[Satisfaction target, for example: 90 percent of customers rating us good or excellent]** | **[Owner name and role]** | **[Date]** |
| Control costs | Costs within **[Budget amount]** for the year | **[Owner name and role]** | **[Date]** |
| Develop the team | **[Training target, for example: every employee completes two training courses]** | **[Owner name and role]** | **[Date]** |

## 4. Market and customers

Our main market is **[Market description]**. It is worth about **[Market size]** a year and is growing at about **[Growth rate]** a year. Our main competitors are **[Competitor 1]**, **[Competitor 2]**, and **[Competitor 3]**.

Our customers are mainly **[Customer groups]**. They choose us because **[Reasons customers choose us]**. Our most important customer segment is **[Main customer segment]**, which brings in about **[Share of revenue]** of our revenue.

- Customer group 1: **[Customer group]** - **[What they buy and why]**.
- Customer group 2: **[Customer group]** - **[What they buy and why]**.
- Customer group 3: **[Customer group]** - **[What they buy and why]**.

The main changes we expect in our market this year are **[Market change 1]** and **[Market change 2]**. We will respond by **[Planned response]**.

## 5. Products and services

We sell the products and services listed below. Each one is priced to cover its costs and leave a margin that supports the business.

| Product or service | Price | Target customer | Expected sales in [Plan year] |
|---|---|---|---|
| **[Product or service 1]** | **[Price]** | **[Target customer]** | **[Expected sales]** |
| **[Product or service 2]** | **[Price]** | **[Target customer]** | **[Expected sales]** |
| **[Product or service 3]** | **[Price]** | **[Target customer]** | **[Expected sales]** |

| | | | |
|---|---|---|---|
| [Product or service 4] | [Price] | [Target customer] | [Expected sales] |

New for [Plan year] is [New product or service], which we expect to bring in [Expected revenue]. We will stop selling [Product or service to discontinue] because [Reason].

## 6. Operations

Our main operations are [Main operations]. We operate from [Location] and our opening hours are [Opening hours]. Our key suppliers are [Supplier 1], [Supplier 2], and [Supplier 3].

The main operational improvements planned for [Plan year] are [Improvement 1] and [Improvement 2]. They are expected to save [Saving amount] and reduce [Problem reduced].

| Operational area | Current position | Planned change | Owner |
|---|---|---|---|
| [Operational area] | [Current position] | [Planned change] | [Owner name and role] |
| [Operational area] | [Current position] | [Planned change] | [Owner name and role] |
| [Operational area] | [Current position] | [Planned change] | [Owner name and role] |

## 7. Marketing and sales

Our marketing budget for [Plan year] is [Marketing budget]. We will spend it on [Marketing channel 1], [Marketing channel 2], and [Marketing channel 3]. Our sales target is [Sales target] and our average order value target is [Average order value].

| Channel | Budget | Expected result | Owner |
|---|---|---|---|
| [Marketing channel] | [Budget amount] | [Expected result] | [Owner name and role] |
| [Marketing channel] | [Budget amount] | [Expected result] | [Owner name and role] |
| [Marketing channel] | [Budget amount] | [Expected result] | [Owner name and role] |

Our sales process is: [Step 1]; [Step 2]; [Step 3]; and [Step 4]. The [Sales role] is responsible for following up every enquiry within [Response time].

## 8. People and organisation

We employ [Number of employees] people. The organisation is led by [Leader name and role], supported by [Manager name and role] and [Manager name and role].

| Role | Name | Main responsibilities |
|---|---|---|
| [Role] | [Name] | [Main responsibilities] |

| | | |
|---|---|---|
| [Role] | [Name] | [Main responsibilities] |
| [Role] | [Name] | [Main responsibilities] |
| [Role] | [Name] | [Main responsibilities] |

In [Plan year] we plan to recruit [Number] new people in [Roles]. Training planned for the year includes [Training 1] and [Training 2]. Our staff turnover target is [Turnover target].

## 9. Financial plan

All figures in this section are in pounds sterling (GBP). The financial plan is a forecast, not a guarantee. It is based on the assumptions listed below, and it is reviewed monthly against actual results.

### 9.1 Assumptions

- Sales grow by [Growth rate] compared with [Previous year].
- Prices rise by [Price rise] on [Date].
- Staff costs rise by [Cost rise] to cover [Reason for cost rise].
- No new borrowing is planned, except [Borrowing plan, or: none].

### 9.2 Annual budget summary

| Item | Budget for [Plan year] |
|---|---|
| Sales revenue | [Amount] |
| Other income | [Amount] |
| Total income | [Amount] |
| Cost of sales | [Amount] |
| Staff costs | [Amount] |
| Rent and premises | [Amount] |
| Marketing | [Amount] |
| Other operating costs | [Amount] |
| Total costs | [Amount] |
| Profit before tax | [Amount] |

## 9.3 Monthly forecast

The table below shows the expected income and profit for each quarter. Monthly detail is kept in the supporting spreadsheet held by **[Finance role]**.

| Quarter | Income | Costs | Profit |
|---|---|---|---|
| Quarter 1 (**[Months]**) | **[Amount]** | **[Amount]** | **[Amount]** |
| Quarter 2 (**[Months]**) | **[Amount]** | **[Amount]** | **[Amount]** |
| Quarter 3 (**[Months]**) | **[Amount]** | **[Amount]** | **[Amount]** |
| Quarter 4 (**[Months]**) | **[Amount]** | **[Amount]** | **[Amount]** |
| Full year | **[Amount]** | **[Amount]** | **[Amount]** |

## 9.4 Cash flow

Our opening cash balance is **[Amount]**. We expect cash to be lowest in **[Month]** at **[Amount]** and highest in **[Month]** at **[Amount]**. The main cash risks are **[Cash risk 1]** and **[Cash risk 2]**. If cash falls below **[Minimum cash level]**, **[Finance role]** will **[Action taken]**.

## 10. Milestones

The milestones below are the main checkpoints for the year. Each one is reviewed at the monthly management meeting.

| Milestone | Due date | Owner | Done |
|---|---|---|---|
| **[Milestone]** | **[Date]** | **[Owner name and role]** | **[Yes or No]** |
| **[Milestone]** | **[Date]** | **[Owner name and role]** | **[Yes or No]** |
| **[Milestone]** | **[Date]** | **[Owner name and role]** | **[Yes or No]** |
| **[Milestone]** | **[Date]** | **[Owner name and role]** | **[Yes or No]** |
| **[Milestone]** | **[Date]** | **[Owner name and role]** | **[Yes or No]** |
| **[Milestone]** | **[Date]** | **[Owner name and role]** | **[Yes or No]** |

## 11. Risks and mitigations

The risks below could stop us reaching the objectives in section 3. Each risk has an owner who watches for it and acts on the mitigation if it happens.

| Risk | Likelihood | Impact | Mitigation | Owner |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| [Risk] | [High, Medium, or Low] | [High, Medium, or Low] | [Mitigation] | [Owner name and role] |
| [Risk] | [High, Medium, or Low] | [High, Medium, or Low] | [Mitigation] | [Owner name and role] |
| [Risk] | [High, Medium, or Low] | [High, Medium, or Low] | [Mitigation] | [Owner name and role] |
| [Risk] | [High, Medium, or Low] | [High, Medium, or Low] | [Mitigation] | [Owner name and role] |
| [Risk] | [High, Medium, or Low] | [High, Medium, or Low] | [Mitigation] | [Owner name and role] |

## 11.1 Competitor detail

The table below records what we know about each main competitor. It is updated at the annual review and whenever a competitor changes prices, launches a product, or leaves the market.

| Competitor | What they offer | Their strengths | Their weaknesses | How we compete |
|---|---|---|---|---|
| [Competitor 1] | [What they offer] | [Strength] | [Weakness] | [How we compete] |
| [Competitor 2] | [What they offer] | [Strength] | [Weakness] | [How we compete] |
| [Competitor 3] | [What they offer] | [Strength] | [Weakness] | [How we compete] |

## 11.2 Monthly cash flow forecast

The table below shows expected cash in and cash out for each month of [Plan year]. The [Finance role] updates it every month with actual figures and flags any month where the closing balance falls below [Minimum cash level].

| Month | Cash in | Cash out | Closing balance |
|---|---|---|---|
| [Month] | [Amount] | [Amount] | [Amount] |
| [Month] | [Amount] | [Amount] | [Amount] |
| [Month] | [Amount] | [Amount] | [Amount] |
| [Month] | [Amount] | [Amount] | [Amount] |
| [Month] | [Amount] | [Amount] | [Amount] |
| [Month] | [Amount] | [Amount] | [Amount] |

| | | | |
|---|---|---|---|
| [Month] | [Amount] | [Amount] | [Amount] |
| [Month] | [Amount] | [Amount] | [Amount] |
| [Month] | [Amount] | [Amount] | [Amount] |
| [Month] | [Amount] | [Amount] | [Amount] |
| [Month] | [Amount] | [Amount] | [Amount] |
| [Month] | [Amount] | [Amount] | [Amount] |

## 11.3 Quarterly marketing activity

Marketing activity is planned by quarter so that spending and effort match the seasons of the business. The [Marketing role] reports results for each quarter at the quarterly review.

| Quarter | Main activity | Budget | Expected result |
|---|---|---|---|
| Quarter 1 | [Main activity] | [Amount] | [Expected result] |
| Quarter 2 | [Main activity] | [Amount] | [Expected result] |
| Quarter 3 | [Main activity] | [Amount] | [Expected result] |
| Quarter 4 | [Main activity] | [Amount] | [Expected result] |

## 11.4 Key processes

The processes below are the ones that matter most to customers. Each one has an owner, a written procedure held by [Role], and a standard time. If a process fails, the owner records what happened and what was fixed.

| Process | Owner | Standard time | Procedure held by |
|---|---|---|---|
| [Process] | [Owner name and role] | [Standard time] | [Role] |
| [Process] | [Owner name and role] | [Standard time] | [Role] |
| [Process] | [Owner name and role] | [Standard time] | [Role] |
| [Process] | [Owner name and role] | [Standard time] | [Role] |

## Approval and sign-off

This plan was reviewed and approved by the people named below. Each person signs to confirm they agree with the plan and accept the responsibilities it gives them.

| Role | Name | Signature | Date |
|---|---|---|---|
| [Approver role] | [Approver name] | | [Date] |
| [Approver role] | [Approver name] | | [Date] |
| [Approver role] | [Approver name] | | [Date] |