

SMALL BUSINESS *Plan*

PREPERATION CHECKLIST

Expanded planning questions for small business owners

A strong business plan answers practical questions. Use this checklist to test whether your idea is clear, your assumptions are grounded, and your next actions are realistic.

How to use this guide

- Tick off each item only when you can support it with a clear answer, not just a hope or assumption.
- Keep your first version simple. A specific, realistic plan is more useful than a perfect-looking one.
- Where the answer is unknown, turn it into a research or validation task rather than guessing.

Business snapshot

Business name				
Owner / founder				
Primary customer				
Planning goal	<i>Launch</i>	<i>Growth</i>	<i>Funding</i>	<i>Operations</i>

Complete the sections below before finalising your business plan.

SECTION 1: Business concept and purpose

Key question: *What are you building, for whom, and why does it matter now?*

Why this matters: A business plan only becomes useful when the core idea is easy to explain. Clarity here prevents vague marketing, weak positioning, and unrealistic numbers later in the plan.

- Write a one-sentence business summary.** Describe the business in plain language that a customer or lender could understand immediately.
- Define the customer problem.** State the need, frustration, or gap your business is solving.
- Describe the offer clearly.** Explain the main product or service and the practical result the customer receives.
- Show why the timing makes sense.** Identify why this business is relevant now, such as demand shifts, local need, or industry change.
- State your mission and direction.** Include a short purpose statement and a realistic one-year and three-year objective.
- Be clear about the purpose of the plan.** Decide whether this plan is mainly for launching, growing, attracting funding, or improving operations.

Evidence to gather: *customer conversations, draft offer list, business goals, problem statement*



SECTION 2: *Customer and market*

Key question: *Who is most likely to buy from you, and how large is the opportunity?*

Why this matters: Many small business plans fail because they target 'everyone.' A stronger plan shows exactly who the ideal customer is and why that group is likely to buy.

- Define your ideal customer.** List the customer type, location, buying habits, budget, and biggest priorities.
- Identify top pain points.** Explain the problems, jobs, or outcomes that motivate a buying decision.
- Estimate market size sensibly.** Use a realistic local, niche, or online estimate instead of a broad industry figure that cannot be reached.
- Choose your starting niche.** Decide which customer segment you will focus on first and why it is the best fit for your current capacity.
- Map buying behaviour.** Note where customers search, compare options, ask for referrals, and finally purchase.
- Check demand patterns.** Record any seasonality, trends, or external factors that affect when and how often people buy.

Evidence to gather: *basic market research, customer interviews, local demand indicators, search and enquiry patterns*

SECTION 3: *Competitors and positioning*

Key question: *Why will customers choose you over existing alternatives?*

Why this matters: A good plan does not pretend competition does not exist. It shows that you understand other options in the market and can explain your difference in a credible way.

- List direct competitors.** Identify businesses offering a similar product or service to the same audience.
- List indirect alternatives.** Include substitutes such as DIY solutions, larger providers, or customers doing nothing at all.
- Compare on the factors that matter.** Assess pricing, convenience, quality, trust, speed, service, and customer experience.
- Write a positioning statement.** Summarise who you serve, what you deliver, and why your offer is distinct.
- Identify your unfair advantages.** Highlight the assets competitors may struggle to copy, such as expertise, local presence, relationships, or process.
- Plan for a competitive response.** Decide how you would protect margins and customers if a similar offer appears.

Evidence to gather: *competitor list, pricing comparisons, customer reviews, positioning statement draft*



SECTION 4: Offer, pricing, and revenue model

Key question: *What exactly will you sell, at what price, and how will the business make money?*

Why this matters: Even strong ideas can underperform when the offer is confusing or the pricing is not linked to value and cost. This section turns the concept into a practical commercial model.

- Define the core offer.** Set out the main product or service, key inclusions, and any optional add-ons or packages.
- Choose a revenue model.** Decide whether income will come from one-off sales, retainers, subscriptions, projects, repeat orders, or a mix.
- Set pricing with logic.** Base pricing on customer value, market expectations, costs, and margin needs rather than guesswork.
- Check gross margin.** Estimate how much is left after direct costs for each sale, job, or package.
- Set payment terms.** Clarify deposits, invoicing, late-payment rules, refunds, and cancellation conditions.
- Test offer clarity.** Confirm that a customer can understand the offer, price, and next step within a few seconds.

Evidence to gather: *price list, cost assumptions, offer summary, payment policy*

SECTION 5: Marketing and sales

Key question: *How will people discover, trust, and buy from your business?*

Why this matters: A business plan needs more than 'we will use social media.' It should show how attention turns into enquiries, sales, repeat business, and referrals.

- Choose your lead channels.** Identify the few marketing channels most likely to reach your starting customer segment.
- Define your message.** Explain what promise, benefit, or result you will communicate in your marketing.
- Map the sales process.** Outline the path from awareness to enquiry, quote, sale, onboarding, and follow-up.
- Estimate conversion assumptions.** State how many leads you expect to need to achieve your sales targets.
- Plan trust-building activity.** Use reviews, case studies, samples, referrals, guarantees, or social proof where appropriate.
- Design retention and referral steps.** Decide how you will encourage repeat purchases, upsells, and word-of-mouth.

Evidence to gather: *channel plan, sample messaging, sales process notes, conversion assumptions*



SECTION 6: Operations and delivery

Key question: *What has to happen behind the scenes to deliver consistently and profitably?*

Why this matters: Operations are where strategy becomes real. A solid plan shows the process, resources, and controls required to deliver a good customer experience without chaos.

- Map the delivery workflow.** Describe each step from purchase to fulfilment, service delivery, and after-sales support.
- List key resources.** Include suppliers, software, equipment, premises, vehicles, or stock required to operate.
- Check capacity limits.** Estimate how many jobs, orders, or clients you can handle before quality drops.
- Set service and quality standards.** Define the turnaround times, quality checks, and customer service expectations you want to maintain.
- Identify operational bottlenecks.** Note where delays, shortages, or dependency on one person could slow the business.
- Create backup plans.** Plan what happens if a supplier fails, equipment breaks, demand spikes, or you become unavailable.

Evidence to gather: *workflow outline, supplier list, capacity estimate, service standards*

SECTION 7: Team, legal, and risk

Key question: *Who is responsible for what, and what could put the business at risk?*

Why this matters: Small businesses often overlook legal obligations and key-person risk. This section helps make the plan more credible, resilient, and easier to manage.

- Clarify roles and responsibilities.** Record who will handle sales, delivery, finance, admin, and decision-making.
- Identify capability gaps.** Note the skills, experience, or advisory support still needed.
- Confirm business structure.** Decide whether the entity and ownership structure suit your goals and risk profile.
- Check registrations and licences.** List any permits, professional requirements, registrations, or approvals that apply.
- Review contracts and insurance.** Make sure customer terms, supplier agreements, and relevant cover are considered.
- List major risks and responses.** Include financial, operational, legal, staffing, data, safety, and reputation risks with a mitigation step for each.

Evidence to gather: *role map, licence checklist, insurance needs, risk register*



SECTION 8: *Financial plan and funding*

Key question: *Will the business generate enough cash, and what funding is required to get there?*

Why this matters: This is where ideas meet reality. A useful plan shows the assumptions behind the numbers, the timing of cash movement, and how much funding is actually needed.

- Calculate startup costs.** List the one-off costs required to launch or expand the business.
- Separate fixed and variable expenses.** Know which costs stay constant and which rise with each sale.
- Build a realistic sales forecast.** Base your forecast on pricing, sales volume, capacity, and conversion assumptions.
- Prepare a cash flow view.** Estimate when money comes in and goes out so you can spot pressure points early.
- Calculate break-even.** Work out how much revenue is needed to cover core costs.
- Decide on funding needs.** State whether you need owner funds, debt, grants, investors, or no external funding at all.
- Explain how funds will be used.** Show where the money goes and how it supports revenue generation or stability.
- Stress-test the numbers.** Consider a slower-sales scenario, higher-cost scenario, and recovery plan.

Evidence to gather: *startup cost list, sales forecast, cash flow estimate, break-even calculation, funding summary*

SECTION 9: *Milestones and final review*

Key question: *What should happen next, and is the plan ready to present or use?*

Why this matters: A business plan should lead to action. Finishing with milestones and a final review turns the document into a working management tool rather than a file that gets ignored.

- Set 90-day priorities.** List the actions that matter most in the first quarter after planning.
- Define 12-month milestones.** Include revenue, customers, launches, hiring, systems, or partnership targets.
- Choose a few key metrics.** Track indicators such as leads, conversion rate, average sale value, gross margin, cash balance, and repeat business.
- Write a concise executive summary.** Summarise the business, customer, model, opportunity, numbers, and next steps in one page.
- Check consistency across the plan.** Make sure the narrative, market assumptions, operations, and financials do not contradict each other.
- Replace weak claims with evidence.** Where you have used assumptions, note how you will test or validate them.
- Schedule review points.** Decide when the plan will be reviewed and updated as conditions change.

Evidence to gather: *90-day action list, annual milestones, KPI dashboard, executive summary, validation tasks*



Final readiness check

Before you share the plan with a lender, investor, partner, or adviser, confirm the following:

- The plan is easy to understand.** A reader can grasp the business model within the first page.
- The target customer is specific.** The plan names a real market segment rather than a vague audience.
- The financials match the story.** Revenue, costs, capacity, and milestones are aligned.
- Major assumptions are visible.** You have identified what still needs testing or validation.
- The next actions are clear.** The plan ends with concrete priorities, owners, and review dates.

Tip

- Your plan does not need to answer every question perfectly on day one. It does need to show that you understand the business, the customer, the numbers, and the next decision to make.