

101 questions your business plan should answer

Before you get started ...

Type “business plan” into your search engine and you’ll find thousands of templates, many of them free. Most of them are much the same and lots of people use them to write lots of business plans. It’s something you have to do if you are going to start a business. They are not, however, a solution to the real question you need to ask, which is: should I do this?

As a rough guess, probably two out of every three people I know who have started a business wish they hadn’t. That’s not necessarily because the business failed. A lot do, but a lot don’t. Nor is it because they didn’t have a good idea, or lacked commitment or energy. It is more that it just didn’t turn out to be as wonderful as they thought it was going to be. It’s a little like having a terrific holiday. If you go back to the same place two years later expecting the same, chances are you’ll be disappointed.

That’s why I put these 101 questions together. You might be passionate about your idea for a product or a service, but what you really have to be passionate about is running a business.

A rod for your back?

Often the hard slog of day-to-day operations and managing people is what turns a good business idea into a rod for your back. Either you magically find the perfect manager, or you yourself have to make all that happen.

Having a goal like “I don’t want to work for someone else” is not enough. You will still be working for lots of people, like customers, employees, suppliers, distributors, shareholders, and franchisors, not to mention banks and the government. You would be wrong to think you will be getting away from challenging workplace relationships.

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It is also rare to have a seriously unique idea. A quick internet search will usually find someone else who has tried something similar. You need to see whether it worked for them, and if it did, whether it will work for you.

If you think you are on to something that will work, start stress testing the idea. Start getting scientific about how big the market is. More importantly, start being realistic about what percentage of that market you can attract and why. This applies to everything from a new retail shop in a suburban location, through to a major new product initiative in the national marketplace.

People and money

The questions in this module are not meant to put you off. Rather, they should prompt you to make a very sober evaluation of whether your project is a good idea for you. Whether you like it or not, you will have administrative responsibilities. And, in an age of seemingly endless compliance requirements, you will have to manage many things that seem to have nothing to do with your vision. You will also have to have people management skills and actually enjoy using them. And that's before we have even talked about how much money you will need to get started and where you are going to get it.

When you get to the last question, you should still be inspired by your vision. Your motivation should still be intact. But you will have no illusions about what is in between your vision and turning it into reality. From there, you should download one of those templates and get on with putting your business plan together.

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Your idea

1. What is your vision?
2. Why will it work?
3. Why is it different to anything else in the market?
4. If it isn't, why can you create market share in the existing market?
5. How much?
6. Why will you be successful in achieving this?
7. Have other people failed in this sector?
8. Why?
9. Why won't you?
10. What is your long term goal?
11. How much value do you want to create?
12. How do you arrive at that value?
13. By when will it be created?
14. Will it have been worth the trouble?
15. Why?



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You

16. What natural strengths or abilities do you bring to the party?
17. Is that enough to make it work?
18. Are you sure this is something you will remain passionate about?
19. Are you passionate about actually running a whole business, or are you only passionate about the product or service?
20. What will be your responsibilities?
21. Are you capable of handling them all?
22. What skills will be required?
23. Do you have them all?
24. If not, what ones are missing?
25. How can you get them?
26. One last crucial question: is your partner, children or family in general supportive of your goal? Starting a business can be a major marriage tester.



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Your People

27. What other people will you need?
28. What are their roles?
29. What are their titles?
30. How many will you need?
31. Are you a good people manager?
32. Do you need employees or outsourced services?
33. Do you fully understand your responsibilities as an employer?
34. Have you checked workers compensation costs, superannuation requirements, GST filings, PAYG rules and regulations covering employment of contract and casual workers?
35. Who will manage all this?



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Your stakeholders

36. Who are your shareholders?
37. What do they want from their investment?
38. Are you the only one?
39. What do you want from your investment?
40. Can you deliver that?
41. Do you need other financiers?
42. What do they want?
43. Can you meet their requirements?
44. What happens if you don't?
45. Who is the management?
46. Are they actually good at managing or just good at their job?
47. Are you?
48. Have you got the right partners and employees?
49. Exactly who are the customers?
50. What do they want?
51. Are there enough of them?



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52. Why wouldn't they go somewhere else?
53. Who are your suppliers?
54. What sort of relationship can you have with them?
55. Can you serve them in the same way they serve you?
56. Will you use distributors or other outlets or deal direct with your market?
57. Is that the best way to do it?
58. Do you want to sell a lot at low margin, or less at a high margin?
59. What is the relationship between your business and the community?
60. Do you want to engage with them?
61. What would be best for both?



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Your Finances

62. What are your best, worst and most likely revenue projections?
63. Why are you confident you can generate that amount of revenue?
64. What will happen if you have a shortfall?
65. How much do you have to spend to generate your most reliable revenue forecast?
66. How much of this money will be needed at what time?
67. Do you have that amount of capital available at the relevant times?
68. If not, where will you get it and on what terms?
69. What contingencies have you built in?
70. Have you properly costed and timed the payments for workers compensation insurance, PAYG contributions and GST inflows and outflows?
71. When you put everything together and produce a cash flow budget forecast showing best, worst and most likely scenarios, what does it look like?
72. Would you be better off putting your money in the bank?
73. If not, then can you do it on borrowed funds paying interest at market rates?
74. What is the leanest business you could create? If you really put your mind to it, what is the minimum amount of money you would have to spend to start generating positive cash flow?



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75. What terms and conditions will you operate under? How soon do you actually collect your revenue you earn? When do you actually pay out what you have spent?
76. At what point will the business become sustainable?
77. At what point will it become profitable?



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Your Firm

78. What structure will it take: sole proprietor, partnership, incorporated company?
79. Do you have partners?
80. What is their role?
81. What rights do they have?
82. What rights do you have?
83. What premises will it need? Where will they be?
84. How will you maintain your leasing payments if business is slower than you expect?
85. What will be your HR policy?
86. What is your OH&S policy?
87. When will your first tax bill be due?



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Your Marketing

88. What is your product or service?
89. What is your USP?
90. Where will you sell it?
91. To whom?
92. At what price?
93. How will people hear about it?
94. What percentage of your gross profit do you have available to spend on marketing?
95. How much is that per customer, or number of customers?
96. Do you have a marketing plan?
97. What is it?
98. How much will it cost?
99. Do you have that much?
100. Will you continue to have that much?



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Your Strategy

101. What then is your strategy?

Can you confidently summarise it in the following form: you plan to spend how much on expenses and capital investment, to employ how many people, to produce or deliver what quantity of goods or services, to how many people, at what price, over what period of time, to produce positive cash flow of what amount, at what point in time, which will translate into net profits that amount to what figure by when?



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For more information, visit my website www.alanhargreaves.com

Hi, I'm Alan Hargreaves. I specialise in simplifying complex business problems. In over 35 years as a business executive, I have never found an issue that cannot be addressed through identifying the essential but simple steps required to make any problem manageable. It might be your career, your firm, your team or your strategy. It doesn't matter. All hurdles can be lowered through dispassionate analysis, and all executives can embrace simple processes to take them forward. Using these techniques, I have helped hundreds of people through the various stages of their business or career development. It may be the challenge of taking on new responsibilities; it could be the task of managing a business you have created yourself; it may be handling a difficult team in the midst of major change. I use a straightforward combination of key principles to get results: collaboration, adaptation, simplification and action. You can contact me anytime at alan@alanhargreaves.com.



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