



Business Plan

Sample Document

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WILL DEFINITELY HELP YOU TO
CREATE YOUR BUSINESS PLAN.

Sample of writing a business plan

Business name and address:

Sport Retail

Sector-11, Rohini,

Delhi.

Proprietor's name and address:

RAMESH SHARMA

Sector-11, Rohini,

Delhi.

Business form: Sole trader (Proprietorship).

Business activity: The above shop will sell general sportswear, clothing, footwear and sports accessories from a good secondary retail location close to the main shopping area of Rohini. Sports covered will include: football, cricket, golf, tennis, archery, skiing and other sports, as appropriate to the reason. In addition, the shop will sell general sports clothing and footwear such as track suits, trainers and so on. Suppliers will include major names such as Adidas, Nike, and so on.

Aim: The aim of the business is to provide an adequate income for myself and my wife. We shall be living above the shop.

Objectives:

- 1) Sales of Rs.2,50,000 in the first year
- 2) Gross profit margin of 40%
- 3) Net profit margin of 16%
- 4) Drawings at least Rs.25,000

Market size and growth: The last decade has seen a substantial increase in the popularity of sport and consequently the growth of the sportswear market. It is estimated that two-thirds of time spent on leisure pursuits is devoted to sport. The estimated size of the sport clothing and footwear market is about Rs. 1 billion. The market for sport equipment is about the same size and the market for swimwear and beachwear is over Rs.2,00,000. These estimates are very approximate because the demarcation between sportswear and fashion wear is becoming increasingly blurred.

Competitors:

Name	Strengths	Weakness
<ul style="list-style-type: none"> • Olympus Sports • Silver St. • (400 yards away) • 2 Seasons Harpur St Market stall 	<ul style="list-style-type: none"> • Located in main shopping area • Very price competitive • National promotion • Shop layout appeal to young • Skiing and tennis equipment • Good service • Well-known brands • Cheap 	<ul style="list-style-type: none"> • Lack of expert advice • Lack of personal service • Limited range • Lower end of market • Poor location • Cramped shop, poor displays No service • Only open market day • Poor quality • Low end of market

Your business:

Strength	Weakness
<ul style="list-style-type: none"> • Personal, expert service • Wide range of equipment • Quality equipment • Well-known brands 	<ul style="list-style-type: none"> • Secondary location (better than 2 Seasons) • Limited merchandising opportunities • Cannot afford expensive promotions

Competitive advantages:

- 1) Personal, expert service
- 2) Football links – proprietor local football celebrity
- 3) Links with local sports clubs, schools and so on will enable equipment and sportswear to be purchased to meet their specific requirements
- 4) Wide range of quality merchandise

Proposed customers:

General public

Typical market segments: School age (male and female)
Teenage and twenties
Middle age (mainly male)
Impulse shopper
Dedicated buyer

Sports clubs and schools

These are the groups we expect to attract.

Advertising and Promotions strategy:

- 1) Very limited advertising in local paper: shop opening and seasonal sales. It is proposed to get a well-known sportsman to launch the shop.
- 2) Extensive promotion to sports clubs and schools offering special equipment and sportswear and 'discounts. Displays may be mounted at Clubs and so on or special evenings could be arranged.
- 3) In-store seasonal promotions of particular sportswear or equipment. This could include: special displays, promotional signs and, perhaps, a discounted 'loss-leader' to get customers into the shop.
- 4) Store displays would emphasize the professional football links.

Pricing strategy: We cannot compete against Olympus on price and will not attempt to do so. We will offer good quality branded merchandise at recommended retail prices. We will attempt to stock alternative merchandise and brands to Olympus. We will offer good value for money but not lowest price.

Premises: 1000 square foot retail premises in community Area, Rohini. This is a prime secondary site close to the main shopping area of Rohini. Rohini itself offers a good location and is the main shopping Centre for the north of the Delhi. The premises are leasehold with 10 years to run, let on a full repairing and insuring basis with rent reviews every 5 years. There is a two bedroom flat above the shop in which I intend to live with my wife.

Equipment: Shop display equipment only.

Key people and job functions: Mr. and Mrs. Sharma – Proprietors There may be other part-time counter staff, as required for Saturday work and so on.

Background details of key people:

Mr. Sharma

Formerly professional footballer (joined from school).

Retired 4 years ago.

Worked as a salesman with Rank Xerox selling photocopiers to large companies. Made redundant 6 months ago.

Still maintains good links with local sports clubs and, in particular, old football club.

Mrs. Sharma

Housewife.

No work experience since marriage.

Prior to marriage was employed as counter staff with Spencer.

Currently Parent Governor of Bachpan School and on organizing committee for local Youth Club.

Financial Highlights: initial 12 months

Turnover: Rs. 2,50,000

Profit:

Rs. 40,000 before drawings

Break-even:

Rs. $60,000 \times 2,50,000 / 1,00,000 = \text{Rs. } 1,50,000$

Funding requirement:

Lease purchase Rs. 20,000

Redecoration 5,000

Fixtures and fittings 15,000

Total Rs.40,000

+ Overdraft facility as required (see cash flow)

Source of funds:

Own funds Rs. 25,000

Bank loan Rs. 15,000

We shall be seeking a 10 year, fixed interest rate loan.

Forecast Profit and Loss Account

Business: Sports Retail

Period: Year 2020

Sales: Rs. 2,50,000 (A)

Less direct (variable) costs:

Materials Rs. 1,50,000

Direct wages

Other

Total direct (variable) costs: (Rs. 1,50,000)

Gross profit/contribution: Rs. 1,00,000 (40%) (B)

The above business plan consists of all the requirements that an entrepreneur need to state in a business plan which also incorporates marketing plan for the business. An entrepreneur should carefully analyze all the factors shown in the example before actually launching the business.