

MPH Accountants

60 Minute Business Plan



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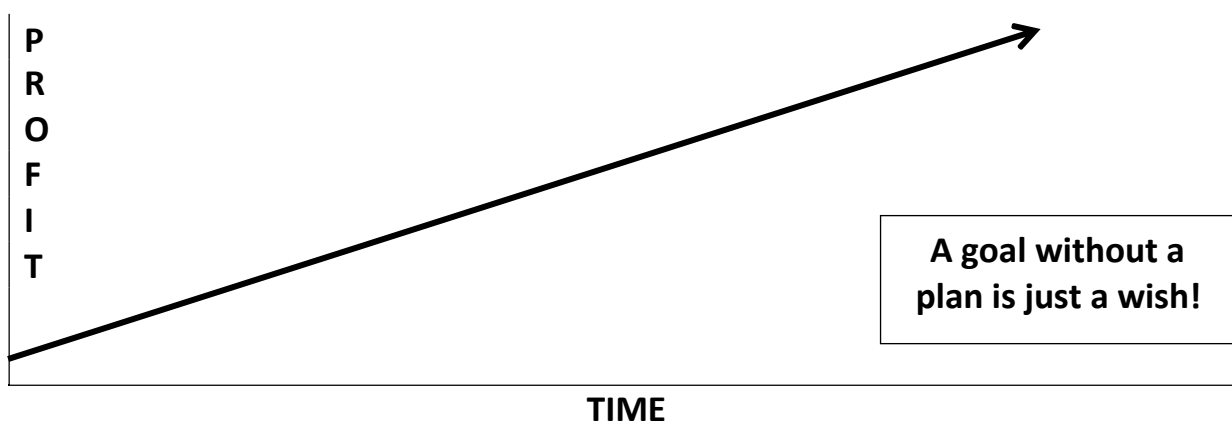
Welcome and thank you for taking the time to read our book

Thank you for downloading this book “60 Minute Business Plan”. If you are new to business, then it may also be worthwhile downloading our other book ‘Why Start Your Own Business?’ as this will walk you through decisions that have to be made to ensure your business can be a success.

Aim Of This Book

This book is for entrepreneurs and business owners alike who are either considering starting up a business or who have started a business and are looking for general support to make sure they give themselves the best opportunity for business success.

This book aims to help people who want to set targets and make plans to ensure their business is going in the right direction and to give some fresh ideas which you may not have come across before. A business is a journey and it is vital that business owners adapt systems as it grows. We aim to help you work smarter, not harder. This guide will provide useful tips aimed at getting you to work not just “in your business” but on your business and will help manage your time more effectively.



Why a 60 Minute Business Plan?

Over recent years it became apparent that more and more clients wanted to grow and develop their business in a managed and controllable manner.

The aim of this book is to enable you to think about the future of your business and what you are personally aiming to achieve in relation to commitment, time, and financial reward.

By utilising this book, you will have the benefit of working through in an organised fashion rather than just coming up with another list of things to do.

Please note that this 60-minute Business Plan is a basic tool to introduce to you how best to move your business forward.



Purpose of the Plan

A lot of business owners have their business plans in their heads. This plan is often not implemented as they are busy carrying out the day to day running of the business, dealing with suppliers, customers, staff, finances, marketing – all types of work which you have to do once you start your own business.

A business owner tends to deal with whatever is screaming at them at that particular point. By doing this you are working “in your business”. As your business grows this tends to happen more and more which gives you even less time to implement the plan you have in your head. I always use the old aged adage that you would not start a car journey without knowing your destination and planning a route. I look at a business plan as a business sat-nav to offer guidance in your journey and to ensure that the ultimate goal is achieved.

We have met numerous business owners who are successful within their business but are working an unhealthy number of hours per week. Although their business’s are succeeding (because they fundamentally have a great business), the number of working hours means they are not spending quality time doing the things they like to enjoy such as time with family, golf and holidays.

One of the best compliments we have received from our clients is that we have completely changed their lives. Let this book be the first step in changing your business life.

Destination

A lot of clients do not consider what their goals are within their business. I always break this down between vision, mission, and strategy. I know that it sounds dull but work with me on this!



My Goals

Let's Start

Firstly, write down as many goals as you can that you would like to achieve and then allocate an achievable and realistic time frame.

For example, if you are new in business and starting off as a one-man band, but your goal is to employ 10 new staff this is very unlikely to be achieved in the first year, but it could be achievable in year five.

You might be running your business from home and wanting to move to offices – this might be a three-year project.

Year one might be to achieve a certain amount of turnover or build up your client base.

You should aim to list as many goals as possible:

<u>GOAL</u>	<u>TIME FRAME</u>

My Business Mission

As you can see we have deliberately avoided calling this a mission statement. A lot of our clients think a mission statement is for large corporate companies. All you need to do is to consider what your business needs to become in order for you to turn your goals, listed previously, into a reality. Define your mission below. Quite often I come across a client who has several missions (our mission is on page 21).

Strategy

This is how you are going to achieve your goals in a 24-month period.

Earlier in this book we asked you to list your goals and assign them into time frames. You should now take your year one and year two goals and find out in which order these have to be dealt with to achieve these.

To give you an indication these should cover the profit you want to achieve, the amount of money you wish to take out of your business in the year, the number of clients/customers you would want, amount of staff you would like to employ, and the turnover you want to achieve for the two years. Once you have these, we would need to go into each in more detail. Enter these on the “goal sheet” on the next page.



Your Next Part of the Plan



	GOAL	CURRENT FIGURES	YEAR 1	YEAR 2	TO ACHIEVE THESE GOALS, I NEED TO...
TURNOVER					
PROFIT					
AVERAGE SALE					
HOW MANY STAFF					
NO OF WORKING HOURS					
PERSONAL INCOME					
LIST HERE BIGGEST PROBLEMS FACED IN YOUR BUSINESS					

The above goal setting worksheet will help you to determine how you will achieve your plan:

Now we have set some goals on the sheet there are some things to consider...

Turnover/Sales

The turnover will give you the amount you would need to achieve your goals. It will also give you an indication of the increase in turnover required to increase your profits. It will also help with costing. For example, taking on a new staff member may cost you £30,000. With this staff member, how much turnover would they have to create to cover their wage costs?

Profit

Profit is the most important figure to you. It shows you the amount of money you are going to make in a year, the amount you can take for yourself, and also the amount that could be reinvested into helping your business grow.

Average Sale

This is one of the most important aspects that you should be aware of. Various businesses have various levels of sales. For example, if you own a card shop, your average sale might be £2.00. However, if you own a jewellery shop, the average sale may be £1,000. Once you are aware of your average sale, you can determine how best to market your business.

Number of Staff

As with turnover and profit you would have to determine when to take on staff. Some staff will be productive and earn the company money, and some staff may have an administrative role which, although not directly earning the company money, it will enable your company to run and function more smoothly, releasing your time as an employer to concentrate on other matters as well as releasing productive staffs' time to ensure they carry on earning the company money.

Number of hours you work per week

We have so many clients that work more than sixty plus hours per week and when you breakdown their net profit against the hours they work their hourly rate is relatively low. It is worth doing this to ascertain what your hourly rate is.

Personal Income

As mentioned previously, this is the amount of money you would like to withdraw from your business to enable you to achieve the lifestyle you would like.

What do you have to do to hit these goals?

Now go back to your goal sheet and write in the right-hand column what you must do to achieve your goals

As mentioned earlier in this book, there is a lot for you to consider. For example: -

- **Finances**

It is important to have access to your finances to see how your business is operating. Do not wait until the end of the financial year for your accountants to give you your accounts as this is already historical data.

You should be looking at profit and loss on a monthly basis as this flags up any discrepancies almost immediately enabling you to make an informed decision on how to address this promptly. It will also show if there are any slowdown points within your business so that you can make provisions for these. It is also essential to know your taxation on your profits, so you can set aside this money in advance of your tax bill.

- **Sales**

What systems do you have in place to ensure that you are making the right sales at the right mark up?

- **Marketing**

What marketing do you need to do to achieve the type of clients you want? All your marketing should be carefully monitored to ensure the return on your investment. Marketing is a huge topic in itself.

- **Client/Customer Retention**

Many business owners forget how important retaining clients/customers is as they are too busy marketing to new ones.

Marketing to new clients/customers is important but remember, to obtain new clients/customers will cost money whereas your existing clients/customers are already yours and should remain so without any expenditure.

Again, this is a whole book on its own with important factors as client segmentation, client spend, referrals etc.

Overall look after your customers so that they continue to use you, this contributes towards turnover, therefore profit, enabling you to achieve your goals.

- **Staff**

This is equally important as client/customer retention can make a huge difference to you. Select VERY carefully.

At MPH Accountants we have a completely different approach to finding a new team member. Firstly, like most businesses we sift through CV's and find five that are capable of doing the job.

Then we invite all five to a group session where we let them know about the company, what we offer and what we expect from our team.

We then break into groups and just talk to them, we already know that all of them can do the job from their CV's, but which one will be an asset, which one will fit in?

We then hold a vote, every member of staff joins in and we select two, from thereon we hold a final interview. For us this process has been very successful.



The major challenges in the business are

At the foot of your goal sheets you should list every problem you have within your business; this could be having access to the financials, money you are having to chase and administration. From this, on the right-hand side, write down whether or not you can deal with this yourself, or if you would need someone to assist you. For example, if you required regular financial reports on a monthly basis, but do not have the time to do it, or you do not enjoy doing it, it is worth outsourcing it to your accountant or bookkeeper.

If you are having staff problems and are unable to deal with them, it may be worth outsourcing to a solicitor or HR specialist. There may be items you can deal with but have not yet set aside the time.

The Next Step

Now that you have a list of your goals, you need to prioritise these.

Below is a section of the eight quarters in your two-year plan. You need to determine, from the previous list, what you can do and in which order. This is not as easy as it seems:

- you need to determine whether or not you are able to deal with this
- whether you can give it the appropriate time to deal with it
- which of these actions will have the most impact
- can these changes be systemised
- can you set aside the time to ensure everything is monitored

The key for almost any change in your business is planning, testing, implementation and measurement. Once you have prioritised your items you should now enter them into the relevant quarter boxes. Q1 is the next three months and each quarter is the following three months. This gives you an idea of what you need to do in the next two years to achieve what you would like to deal with.

This will show you how many goals fall within a certain period. If there are too many in any one period, then change the time frame.

If you don't do this you are setting yourself too much to do, which means you probably won't do it.

Quarter	No of Goals
Q1	
Q2	
Q3	
Q4	
Q5	
Q6	
Q7	
Q8	

The Importance of dealing with these areas all equally

It is essential that you deal with these areas equally. For example, if you have created a fantastic team without creating the work, your staff will be sitting around being paid and creating a cost which, in turn, will reduce the profits you want to achieve.

If you concentrate on the process and controls, you will also need to have the team to support this and the amount of work coming through. If you only deal with sales and marketing, you can create lots of work, lots of turnover but your service to your customers or clients would not be satisfactory, and therefore, you would not get repeat sales and the customers you deal with would be let down in the process.

As you can see, dealing with only one area, will have an adverse effect on your business, therefore it is important to spread the growth amongst all sections.

Use the sheet below, to see whether your growth is spread evenly between these: -

Business Basic Model	No of action points
Strategy	
Team	
Produce/Service	
Process/Control	
Sales & Marketing	
Suppliers	

You will be able to see from the points above the number of action points that relate to each topic. If you know one of these areas has many more action points than the other, you need to reduce them. If some have no action points, these also need to be increased.

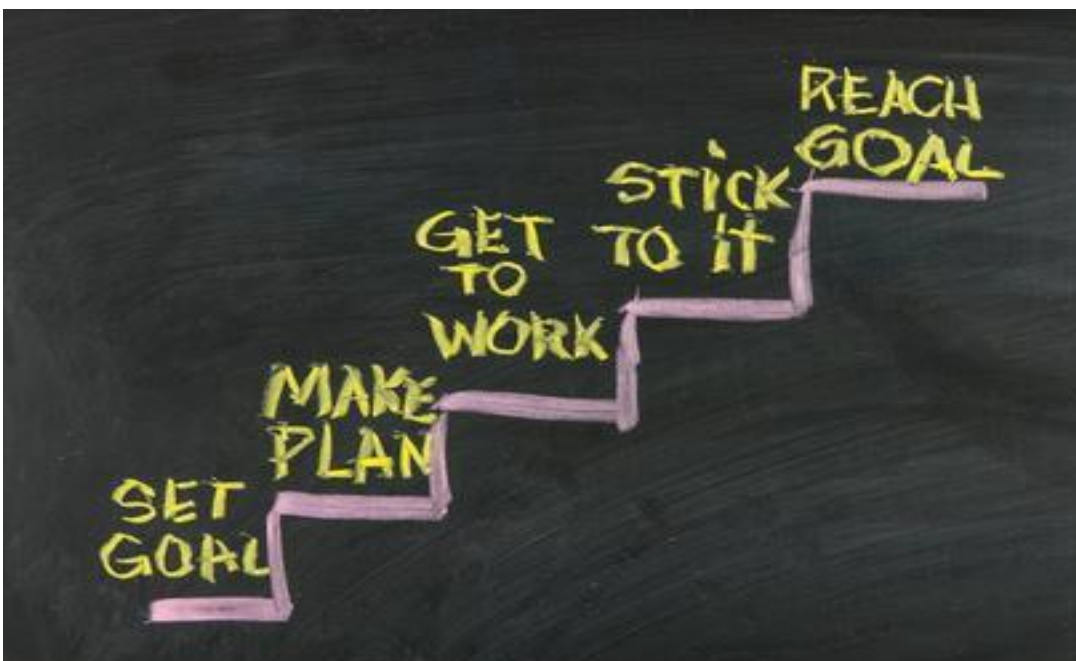


What To Do Next

In summary we have now created a 24-month business plan, spread the workload between various quarters and have checked that it is spread equally amongst business areas. You now need to list, overleaf, each item under the **Business Goals** heading. Now enter the **duedate**, when these should be completed by and then **delegate**. Can any of this be passed to a member of staff or a third party? I am a big advocate of outsourcing work and, as most other business owners have done, I learnt this the hard way, for example;

We produce a monthly email newsletter to all our clients which I used to do myself. It was something I disliked immensely. It took me a long time to produce something which I was satisfied with. I then decided to outsource it to a Virtual Assistant who dealt with it more efficiently and effectively than I possibly could; it looked more professional and took her less time. By freeing up this time, it enabled me to carry on with other matters in my business (the bits I was good at).

Finally, **the cost of** dealing with the matter which is a key factor within your business. You may, for example, want to update your equipment which may cost £20,000. The equipment could be funded from profits, and from previous calculations, you would know the additional turnover you would need to achieve to fund this. Or it may be better to lease the equipment or purchase on HP.



Creating Your Action Plan

Almost Done!!!

With your time frames for achieving your goals fill in the chart below. Consider whether you are able to delegate any of your goals and ensure you add costings for any of these.

Business Goal	Goal Date	Delegated To	Cost

What, When and How



Now that you know from the previous section what you would like to achieve and when, this section goes through each area in more detail. Please list, from the previous chapter, what you would like to achieve and how you will achieve this. The more detail you can go into, the better.

Business Goal:

Business Goal:

Business Goal:

Business Goal:

Business Goal:

Business Goal:

Business Goal:

The Financials



Now that you have done most of the hard work, you must determine exactly what needs to be done within your business, a timescale to implement these changes and you now know the cost of doing these.

You will see that we have drawn up a basic projected Income and Expenditure schedule. You will need to enter these figures for each of the following 2 years. It is important to set your budgets for the forthcoming two years to achieve what you want to achieve.

As you receive your monthly profit and loss from either your bookkeeper or you can do this yourself, you can enter this as a comparative to ensure you are still on budget.

Example Of Income/Expenditure												
	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month
	1	2	3	4	5	6	7	8	9	10	11	12
Total Income												
Cost of Sales												
Gross Profit												
Expenditure												
Rent/Rates												
Insurance												
Telephone												
Postage, Print & Stationery												
Advertising												
Travelling												
Motor Expenses												
Legal and Professional												
Bank Charges												
Computer Consumables												
Repairs & Renewals												
Accountancy												
Wages												
National Insurance												
Cleaning												
Subscriptions												
Sub-contractor												
Equipment Hire												
Training costs												
Light & Heat												
Bank loan interest												
Corporation Tax												
Vat												
Net Cash Position												
Example Of Income/Expenditure												
	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month
	13	14	15	16	17	18	19	20	21	22	23	24
Total Income												
Cost of Sales												
Gross Profit												
Expenditure												
Rent/Rates												
Insurance												
Telephone												
Postage, Print & Stationery												
Advertising												
Travelling												
Motor Expenses												
Legal and Professional												
Bank Charges												
Computer Consumables												
Repairs & Renewals												
Accountancy												
Wages												
National Insurance												
Cleaning												
Subscriptions												
Sub-contractor												
Equipment Hire												
Training costs												
Light & Heat												
Bank loan interest												
Corporation Tax												
Vat												
Net Cash Position												

All Done

You have now completed your 60-minute business plan and the key item now is to ensure that you use it. I would recommend ensuring this business plan is on view when doing your day-to-day work as a reminder to deal with it. Please do not make the mistake of completing this 60-minute business plan and not implementing it; this is a major problem business owner have. As mentioned before, you will get caught up in your day-to-day business and end up neglecting your business plan.

With some of our clients, to make sure business plans are implemented, we have various levels of service. For example, a phone call once a month to ensure their business plan has been dealt with. Several clients have mentioned that it is a bit like completing homework when they were at school. If you are given homework and never had to hand it in you would never complete it. But by giving you a business plan and having a monthly phone call to ensure you are up-to-date and, be able to answer any questions, is a valuable tool for many of our clients.

We can, of course, assist you with your business plan by reviewing it, making any recommendations and either helping you implement it or implement it fully on your behalf.

Remember, if you need help, we are just an email away admin@mphaccountants.co.uk

Vision of MPH Accountants

For every customer to consistently value us as Business specialists, trust our advice and succeed.

Mission of MPH Accountants

To provide trusted accounting services and valued business insight to customers in the South East of England.

In the meantime, we will leave you with some of our testimonials.



Testimonials

I transferred to MPH Accountants earlier this year and have received more constructive advice and ideas from them in this relatively short period than I had received in a number of years. This is not just an accountancy service, this is business development too. They are easy to talk to and speak in a language I understand. I have recommended them to a number of friends and clients who have given me great feedback.

Barry Vickers, Knights Mortgage Services Ltd

“BGI Friday” Learning to Grow your Business and Make More Money, Fast. We have found these training sessions to be extremely helpful and productive and some of the points raised we have implemented within our organisation successfully. Thereby ensuring my time is much more productively spent within the company and, on the whole, the company has become more efficient as a result. Topics you have covered so far have been very structured and can be easily applied and benefit different forms of businesses. As business owners, we sometimes allow our business to follow outdated procedures and practices without assessing if they are the best course of actions to follow.

**Rob Yates, Managing Director
Simtech Computer Systems Ltd**

MPH Accountants has worked on my accounts for over eight years now. In that time, they have helped tremendously in the growth of my business – not only in the way they handle our accounts, but also the fantastic professional support they give to the business. MPH Accountants certainly buck the trend of traditional accountants and offer so much more valuable help and advice when needed.

**Mike Chang, Managing Director
Feature Design Ltd**

MPH Accountants are very helpful and gifted business development consultants as well as first rate accountants. They provide clear and helpful guidance regarding a number of business issues.

Lani Whiting, Director BSB (GB) Ltd

Without a doubt, MPH Accountants is the most professional and likeable firm of accountants I have ever had dealings with.

**Melanie Redwood, Managing Director
Redwood Business Solutions Ltd**

As accountants, MPH Accountants is totally focused on supporting their clients and in helping them to get the best out of their business. They understand the needs and pressures that go with trying to run your own business in the UK today. The team provides support and expertise and loads of really useful stuff and quickly become like a business partner (only without the arguments!!!). Brilliant company, brilliant team. We have seen lots of accountants in our line of work and MPH Accountants is leading a new breed.

Richard Brewin, Chartered Accountant

Over the past 7 or 8 months I have been having regular meetings with MPH Accountants about improving my business. Nothing is strange about this although many people only see their accountant once a year, if they are lucky! The difference here is that MPH Accountants is not your ordinary accountant, and these are not ordinary one-to-one meetings. This is a way of reviewing operations, structures and resolving common problems and building a systemised business that has long term strength.

**Tony Lines, Managing Director
Kent Recruitment Bureau Ltd**

