

# HOW TO WRITE A **BUSINESS PLAN**

by Dameliza Binti Damain

How to write a  
**Business Plan**

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## DEDICATION

I dedicate this booklet for my lovely family. Without their patience, understanding, support and most of all love, the completion of this work would not have been possible. Thank you so much.

## PREFACE

Business Plan Manual is a booklet that will assist students in preparing a completely business plan. As we know, business plan is one the management tools used to achieve business objectives. The students are required to understand this topic well. However, some they face problems and difficulties when to describe business plan journey because lack of information about marketing, management and operation.

This booklet is user-friendly, in an interactive form and easy to follow as well as to understand. This will benefit to student to accomplish business plan completely in the future.

I hope that the comprehensive method will instill and cultivate entrepreneurial skills among the students. Suggestions or recommendations for improving the quality of this booklet are most welcome.

## **ACKNOWLEDGEMENT**

We would like to extend our deepest gratitude and special thanks to all those who have directly and indirectly guided us in writing this booklet. We express our deepest appreciation to head department, friends and colleagues for their encouragement and to support us throughout on endeavor. Their contributions and support are greatly appreciated.

## AUTHORS



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## **TITLE PAGE**

The Title Page should contain the following items, doubled spaced, horizontal centered,

And positioned just above the center of the page:

**(Name of the company)**

**(Address)**

**(Phone No)**

**(Name of owner)**

## CONTENT BUSINESS PLAN

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## **EXECUTIVE SUMMARY**

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The Executive Summary or Abstract is the summary of the entire business plan which needs to be highlighted in a clear and concise manner. The purpose of writing it is to give an overview of the whole scenario of the complete business plan that enables readers to understand the overall purpose and the desired outcome of the business. Its summaries key elements on company objectives, products or services being offered, market potential, costs, marketing, management and expected returns. Therefore, write this last. It is just a page or two that highlights the points you made in your business plan. It's also the doorway to your plan. Your target reader is either going to put your business plan away or keep on reading it. So better get it just right.

## **INTRODUCTION**

---

Name of the Company :

Nature of Business :

Industry profile :

Location of business :

Date of commencement :

Factors in selecting the propose venture:

Future prospect of the business:

## **PURPOSE OF PREPARING A BUSINESS PLAN**

---

State your reason of preparing this business plan eg. :-

- Opportunity for entrepreneur to assess the business venture
- To obtain financial assistance/loan
- To provide guidance in managing the business
- To convince potential investors
- Planning for new product development
- To allocate business resources effectively

**BUSINESS/COMPANY BACKGROUND**

---

Name of Business :  
Business Address :  
Correspondence Address :  
Telephone & Fax No. :  
E-mail address :  
Form of Business Ownership :  
Core Business Activities :  
Date of Business Commencement :  
  
Date of Business Registration :  
Business Registration No. :  
Starting Capital :  
Name of Bank :  
Bank Acc. No. :

**BACKGROUND OF OWNERS/PARTNERS**  
**BACKGROUND**

---

Name of owner/partners :  
Identity card No. :  
Birth Date :  
Age :  
Gender :  
Owner Permanent Address :  
  
Telephone No. :  
Marital status :  
Academic Qualifications :  
Courses Attended :  
  
Skill :  
  
Experience :  
Present Occupation :  
Capital Contribution :

## MANAGEMENT PLAN

---

### 5.1 Introduction of Organization :

- Vision  
A vision statement is an organization's aim for mid-term and long terms goals.
- Mission  
A organization statement for achieve purpose.
- Objectives  
Objectives are basic tools that underlie all planning and strategic activities.
- Business Address: :
- Factory /Farm Address  
(if related)
- Business Location(plan)



- Basic Amenities :

*The basic amenities (water, electrical and telephone facilities) are provided in order for all workers to perform and accomplish their jobs.*

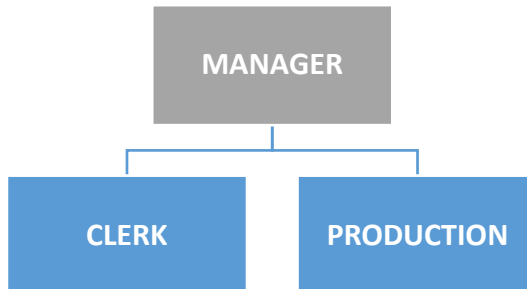
## 5.2 Manpower planning :

Position	Number of Employees

*(Note : Administration employees only)*

## 5.3 Business Organisation Chart/Structure

*(Please make sure each post or employees are included into the chart)*



## 5.4 Job Specification

Position	Job Specification

*(Note : Do not include the manpower listed in the marketing and operation department.)*

## 5.5 Salary & Remuneration

Position	No. of Employees	Monthly Salary (RM)	EPF (RM)		SOCSO (RM)		Total (RM)
			Employer	Employee	Employer	Employee	
<ul style="list-style-type: none"> <li>• Director</li> <li>• Administrative Manager</li> <li>• Financial Manager</li> <li>• Clerk</li> </ul>							
<b>GRAND TOTAL</b>							

*(Note : Do not include the manpower listed in the marketing and operation department. )*

Schedule rate of KWSP

<http://www.kwsp.gov.my/portal/employers/employers-responsibility/contribution>

Schedule rate of SOCSO

<http://www.perkeso.gov.my/my/perindungan-keselamatan-sosial/kelayakan-majikan-dan-pekerja/kadar-caruman.html>

## 5.6 Office Equipments and Supplies

Types of Equipment	Quantity	Price/Unit (RM)	Total (RM)
<ul style="list-style-type: none"><li>• Computer</li><li>• Printer</li><li>• Fax machine</li><li>• Aircond</li><li>• Table</li><li>• Chair</li></ul>			

## 5.7 Organization Expenditure

Type	Cost of Fixed Asset (RM)	Monthly Expenses (RM)	Other Expenses (RM)
<b>Fixed Asset</b> <ul style="list-style-type: none"> <li>▪ Office equipment</li> <li>▪ Business premise</li> <li>▪ Furniture</li> <li>▪ etc</li> </ul>			
<b>Monthly Expenses</b> <ul style="list-style-type: none"> <li>▪ Office supplies</li> <li>▪ Electricity</li> <li>▪ Water</li> <li>▪ Telephone</li> <li>▪ Salary</li> <li>▪ Socso</li> </ul>			

<ul style="list-style-type: none"> <li>▪ EPF</li> <li>▪ Rental</li> <li>▪ etc</li> </ul>			
<p><b>Other Expenses</b></p> <ul style="list-style-type: none"> <li>▪ Business registration fees</li> <li>▪ Licences &amp; permit</li> <li>▪ Deposit</li> <li>▪ Unexpected expenditure</li> <li>▪ Insurance</li> <li>▪ etc</li> </ul>			
<p>Total (RM)</p>			

## MARKETING PLAN

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### 6.1 Marketing Strategy

#### 6.1.1 Product Strategy

Product is the most important element of the marketing mix. Product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a need or want (Kotler, 2007). Tangible product it is something that is felt, tasted, heard, smelled or seen. E.g. Honor Mobile phone, a PROTON car etc. Intangible product it is something that cannot be seen, smelled, heard or touched. For example, education, services etc.

#### 6.1.2 Promotion Strategy

A successful product or service means nothing unless the benefit of such a service can be communicated clearly to the target market. An organization's promotional mix strategy can consist of many things which is

social media, internet marketing, advertising, sales promotion, public relations, personal selling and etc.

#### 6.1.3 Price Strategy

Price is the amount of money charged for a product or service, or the sum of all the values that customers give in order to gain benefits of having or using a product or service. (Kotler, 2007)

#### 6.1.4 Place or Distribution Strategy

The marketing mix place strategy is about how an organization will distribute their product or service to the end user. The organization must distribute the product to the user at the right place at the right time. Efficient and effective distribution is important if the organization is to meet its overall marketing objectives. If an organization underestimates demand, profitability will be affected.

## 6.2 Target market

Target market is the market a company wants to sell its products and services to, and it includes a targeted set of customer for whom it directs its marketing effort. Refer to demographics, buying power, psychographics and geography.

## 6.3 Market Size

The number of individual in a certain market who are potential buyers and/or sellers of a product or service. Companies are interested in knowing the market size before launching a new product or service in an area.

## 6.4 Competitors

The number of individual in a certain market who are potential buyers and/or sellers of a product or service. Companies are interested in knowing the market size before launching a new product or service in an area.

Company's Name	Strengths	Weaknesses



## 6.5 Market Share

Market share is the portion or percentage of sales of a particular product or service in a given region that are controlled by a company. *For example, there are 100 bottle of corn jam sold in a country and company A sells 35 of them, then company A has 35% market share*

Competitors	Before Entrance		Adjusted market after Entrance		
	Percentage Of Market share	Amount (RM)	Percentage of loss of market share	Percentage Of Market share	Amount (RM)
TOTAL					

## 6.6 Sales Forecast

( State in unit or RM)

Month	Sales	
	Unit	RM
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
Total for year 1		
Total for year 2		
Total for year 3		

## 6.7 Marketing Strategy

- 6.7.1 Product Strategy
- 6.7.2 Promotion Strategy
- 6.7.3 Price Strategy
- 6.7.4 Distribution Strategy

## 6.8 SWOT Analysis

- 6.8.1 Strength
- 6.8.2 Weaknesses
- 6.8.3 Opportunities
- 6.8.4 Threat

*(Note: Strengths and weaknesses are often internal to your organization, while opportunities and threats generally relate to external factors)*

## 6.9 Manpower planning

Position	Number of Employees
<ul style="list-style-type: none"><li>• Marketing Manager</li><li>• Salesperson</li><li>• Promoter</li><li>• Etc</li></ul>	

*(Note : Marketing employees only)*

## 6.9 Job specification

Position	Job specification

*Note : Do not include the manpower listed in the management and operation department.*

## 6.10 Salary & Remuneration

*(Note : Do not include the manpower listed in the management and operation department.)*

Position	No. of Employees	Monthly Salary (RM)	EPF (RM)	SOCSSO (RM)	Total (RM)
• Marketing Manager					
• Salesperson					
• Promoter					
Etc					



## 6.11 Marketing Expenditure


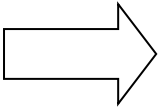

TYPE	Cost of Fixed Asset (RM)	Monthly Expenses (RM)	Other Expenses (RM)
Fixed Asset <ul style="list-style-type: none"> <li>▪ Vehicle</li> <li>▪ Signboard</li> <li>▪ Furniture</li> <li>▪ etc</li> </ul>			
Monthly Expenses <ul style="list-style-type: none"> <li>▪ Salary</li> <li>▪ Socso</li> <li>▪ EPF</li> <li>▪ Commission</li> <li>▪ Travelling expenses</li> <li>▪ etc</li> </ul>			
Other Expenses <ul style="list-style-type: none"> <li>▪ Promotion</li> <li>▪ Road tax</li> <li>▪ Petrol &amp; Gas</li> <li>▪ Insurance</li> <li>▪ etc</li> </ul>			
Total (RM)			



## OPERATIONAL PLAN

---

### 7.1 Operational Process

Symbol	Symbol Name	Symbol Description
Process / Operation Symbols		
	Process	Show a Process or action step. This is the most common symbol in both process flowcharts and business process maps.
	Delay	The Delay flowchart symbol depicts any waiting period that is part of a process. Delay shapes are common in process mapping.

	Preparation	As the name's states, any process step that is a Preparation process flow step, such as a set-up operation.
<b>Branching and Control of Flow Symbols</b>		
	Transportation	When materials are transported from one point to another
	Decision	Indicates a question or branch in the process flow. Typically, a Decision flowchart shape is used when there are 2 options (Yes/No, No/No-Go, etc.)

	Operation	Activities that modify, transform or give value to the input
	Storage	Commonly indicates storage of raw materials.

### 7.2 Unit Produced / Operation Time

No.	Time of Production	Quality Production
1.	Daily Production	
2.	Hourly Production	

### 7.3 Raw Material needed

Packaging			
Material	Quantity	Price/Unit	Price
<b>TOTAL(RM)</b>			



## 7.4 Cost Per Unit

Month	Monthly Production	Cash Expenditure/month	Cost per unit (RM)	Net profit / Unit (RM)
Jan				
Feb				
Mac				
Apr				
May				
Jun				
Jul				
Aug				
Sep				
Oct				
Nov				
Dec				

## 7.5 Manpower Planning

Position	Number of Employees
<ul style="list-style-type: none"><li>• Marketing Manager</li><li>• Salesperson</li><li>• Promoter</li><li>• Etc</li></ul>	

- Schedule of tasks and responsibilities

Task/Position	Responsibilities/Job Description

*(Note : Do not include the manpower listed in the organization and marketing department.)*

## 7.6 Remuneration Plan

Position	No. of staff	Monthly salary	KWSP	PERKESO	TOTAL

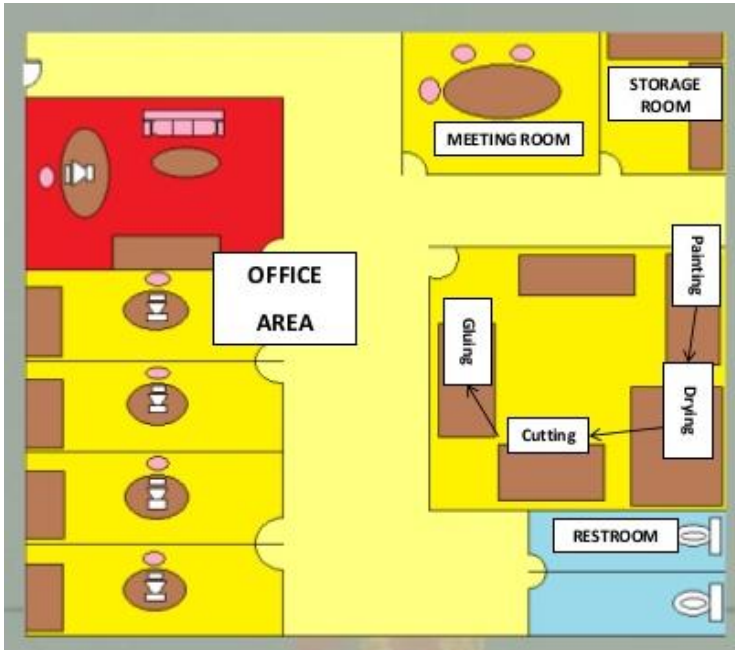
*(Note : Do not include the manpower listed in the organization and marketing department.)*

## 7.9 Machine and equipment

Type of Equipment	Price (RM)	Quantity	Total Amount

Name and address of supplier (machine and equipment)

## 7.10 Operations Layout Plan



## 7.11 Operations Location

Some business, their operation location is separated from their administrative location. If operational location different from the organizational location do write down the address as well as providing map to the location.

## 7.12 Operational Overheads

e.g: water, electricity, gas facilities as well as other basic utilities during operations

## 7.13 Operational budget

TYPE	Cost of Fixed Asset (RM)	Monthly Expenses (RM)	Other Expenses (RM)
Fixed Asset			
Monthly Expenses			
Other Expenses			
Total			

## FINANCIAL PLAN

---

### 8.1 Project Implementation Cost

RM

---

- Fixed Asset Cost  
( *Fixed Asset Investment* )
  
  - Monthly Expenses  
( *working capital* )
  
  - Other expenses
  
  - Contingency Cost
- 

TOTAL

## 8.2 Sources of Funds

RM

---

- Own Contribution
  - ⇒ Cash
  - ⇒ Asset(Land and Building)
  
- External Sources Bank Loans
  - ⇒ Bank Loans
  - ⇒ Hire purchase
  
  
- Others

---

TOTAL

**8.2 Loan Amortisation schedule** (*if relevant*)

Loan Amount :  
Interest Rate :  
Loan Period :  
Method :

Year	Principal	Interest	Total Payment	Principal Balance
1				
2				
3				
4				
5				



#### 8.4 Hire Purchase Repayment Schedule ( if relevant)

Type Of Asset :

Original Price :

Deposit :

Loan Amount :

Interest Rate :

Loan Period :

Method :

Year	Principal	Interest	Total Payment	Hire Purchase Balance
1				
2				
3				
4				
5				

### 8.5 Fixed Assets Depreciation Table *(exclude land)*

Type of Asset :

Original cost of asset :

Economic life :

Scrap Value :

Method :

Year	Annual Depreciation	Accumulated Depreciation	Book Value
0			
1			
2			
3			
4			
5			

## 8.6 Pro forma cash statement

	Month	1
<b>A</b>	<b>CASH INFLOWS</b>	
	Opening Balance	
	Owner's Capital (cash)	
	Bank Loan/Term Cash	
	Sales	
	Collections of Accounts Receivable	
	<b>TOTAL CASH INFLOWS</b>	
<b>B</b>	<b>CASH EXPENDITURE</b>	
	Administrative Expenses	
	Administrative Staff Salaries	
	Water, electrical, telephone	
	Insurance	
	Office Supplies	
	Road Tax	
	Marketing Expenses	
	Advertisement and promotion	
	Commission	
	Transportation	
	Travelling Allowance	
	Operational Expenses	
	Raw Material	
	Direct Labor	
	Operational Overhead	
	Financial Expenses	

---

	Hire Purchase Deposit	
	Interest on Hire Purchase	
	Principal On Hire Purchase	
	Interest on Loan	
	Principal on Loan	
	Fixed Asset Expenditure	
	Other Expenses	
	Deposit	
	Business Registration and Licenses	
	Insurance & Road Tax	
	<b>TOTAL CASH EXPENDITURE</b>	
C	Excess/Defisit (A-B)	
D	Short Term Loan	
E	Loan Repayment	
F	Ending Balance	

*(Note: Preparation for 12 months)*

**8.7 Statement of Manufacturing**  
( for production and manufacturing )

Name of Business

Manufacturing Statement for the year ended at 31st  
December

---

Raw material used :

	Opening stock
<i>Add</i>	Purchased of raw material
<i>Add</i>	Carriage inwards
<i>Add</i>	Duty
<i>Less</i>	Closing stock

Direct labour cost

Manufacturing overhead :

Manufacturing general expenses  
Electricity

Rental  
Insurance  
Depreciation of machinery  
Depreciation of factory  
Indirect labour

---

Manufacturing cost  
( *transferred to Trading Statement* )

## 8.8 Statement of Trading

*(for production and manufacturing)*

Business name

Trading Statement for the year ended at 31st

December

---

Sales

*less* : Cost of good manufactured

Opening stock

*Add*

Manufacturing cost

*(transferred from*

*Manufacturing Statement )*

*Less*

Closing stock

*(finished good)*

---

Gross Profit

*(transferred to Loss and Profit Statement*

## 8.9 Loss and Profit Statement

*(for production and manufacturing)*

Business name

Loss and Profit Statement as At 31st December

---

Gross Profit

*( transferred from Trading Statement )*

Less :            **Administrative Expenses**

Salary

Rental

Insurance

General expenses

Electricity Bill

Water Bill

Telephone Bill

Depreciation of fixed asset

(administrative)

**Marketing Expenses**

Salesmen salary



(marketing)

- Transportation expenses
- Vehicle maintenance
- Salesmen commission
- Depreciation on fixed asset

- Financial expenses
  - Loan interest
  - Bank charges

Total Expenses

Net Profit before tax

Tax (referred to taxation aspect)

Net Profit after taxation

## 8.10 Statement of Trading

*(for Trading Business)*

Business name

Trading Statement for the year ended at 31st

December

---

Sales

*less* : Cost of good sold

Opening stock

*Add*

Purchases

*Less*

Closing stock

(finished good)

---

Gross Profit

*(transferred to Loss and Profit Statement)*

## 8.11 Profit and Loss Statement

*(for Trading Business)*

Business name

Loss and Profit Statement as At 31st December

Gross Profit

*(transferred from Trading Statement )*

Less :           **Administrative Expenses**

Salary

Rental

Insurance

General expenses

Electricity Bill

Water Bill

Telephone Bill

Depreciation of fixed asset

(administrative)

**Marketing Expenses**

Salesmen salary

Transportation expenses  
Vehicle maintenance  
Salesmen commission  
Depreciation on fixed asset  
  
(marketing)

**Financial expenses**

Loan interest  
Bank charges

Total Expenses

Net Profit before tax

Tax (referred to taxation aspect)

Net Profit after taxation

## 8.12 Balance Sheet Statement

Business Name

Balance Sheet Statement as at 31st  
December

### **ASSET**

Fixed Asset

Machinery and equipment

*less* Accumulated Depreciation

Total of Fixed Asset

### **CURRENT ASSET**

Closing Stock

Debtor

Deposit

Bank Balance

Cash

Total Current Asset

---

TOTAL ASSET

---

EQUITY

Share Capital

Net Profit after Taxation

LIABILITIES

Long Term Liabilities

Balance of loan

Balance of hire purchase

Current Liabilities

Creditor

Overdraf

---

TOTAL EQUITY DAN LIABILITIES

---

## CONCLUSION

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Item should be in this section are:

- Main content
- Main purpose
- Mitigation
- Important Issues

This book is specially written to help student in preparing Business Plan especially for Polytechnic Diploma students as well as degree students who are undergoing courses related to Entrepreneurship and Business This book easy to follow, reader friendly and simple style.

by Dameliza Binti Damain

HOW TO WRITE A

**BUSINESS PLAN**