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| **GUIDANCE NOTES** |

**2018.09 STRATEGIC BUSINESS PLAN (v.3)**

* A plan is a document which incorporates a list of steps which assists the organisation in achieving its objectives.
* Plans are implemented as extensions of high-level building foundations and should give effect to the organisation’s objectives.
* Plans must be created with the intent to be in place for several years and regularly reviewed with approved changes made as needed.
* Any member of the organisation’s governing body may authorise the adoption of this plan by signing the Plan Adoption section.
* The contents and format of this document are provided as an example only. It is the responsibility of the user to customise the document to the user’s specific needs, circumstances and applicable legislation.
* **Disclaimer:** This document is of a generic nature and was compiled taking relevant statutory requirements into consideration. This document is provided as a guideline only and any reliance the user places on this document will be at the user’s own risk. Moonstone accepts no liability for any damages suffered or losses incurred arising from the use of this document.
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**STRATEGIC BUSINESS PLAN**

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| --- | --- |
| Version |  |
| Publishing Date |  |
| Last Review Date |  |
| Frequency of Review |  |
| Next Review Date |  |
| Plan Owner |  |
| Responsible Business Unit |  |

**PLAN STATEMENT**

* Any reference to the “organisation” shall be interpreted to include the “plan owner”.
* The organisation’s governing body, its employees, volunteers, contractors, suppliers and any other persons acting on behalf of the organisation are required to familiarise themselves with the plan’s requirements and undertake to comply with the stated processes and procedures.

**PLAN ADOPTION**

By signing this document, I authorise the organisation’s approval and adoption of the processes and procedures outlined herein.

|  |  |
| --- | --- |
| Name & Surname |  |
| Capacity |  |
| Signature |  |
| Date |  |

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# INTRODUCTION

* A business plan is an effective tool for setting out an organisation’s plans, while providing the blueprint for how these plans will be achieved.
* Through drafting an effective business plan, the organisation recognises the following:

A business plan offers the opportunity to clarify business goals.

It can serve as an effective management tool.

It assists the organisation with complying with corporate governance requirements.

Effective Business Plan

It offers the opportunity to review business goals and achievements.

It fosters transparency.

It improves the organisation’s marketability.

# EXECUTIVE SUMMARY

* The executive summary should provide a brief overview of the contents of the Business plan, while also highlighting the most pressing issues facing the organisation.
* While it may seem counter-intuitive, the executive summary should be the last section of the business plan to be completed.
* Aim to make it enthusiastic, professional and concise.
* In drafting the business plan, the following key points should be considered and reflected in the executive summary:
	+ The need to align legal and regulatory compliance with the overall business strategy, objectives and values.
	+ The need to foster transparency and trust among employees, customers, clients and regulatory bodies.
	+ The need to establish and entrench the organisation’s good standing and positive reputation with customers, clients and regulatory authorities.
	+ The need to ensure that the company ethos and culture, are effectively communicated throughout the organisation.
	+ The need to plot the procedures and resources required in order to build and sustain the business.
	+ The need to ensure that the organisation recovers from unexpected business disruptions.
	+ The need to ensure that treating customers fairly is the underlying principle informing all business processes and procedures.

# DETAILS OF THE ORGANISATION

* Under this section, give a brief description of how, when and why the organisation, or the idea for the organisation, was initiated.
* Discuss the current status of the organisation and the market.
* Set out the legal form of ownership of the organisation, whether it is a sole proprietorship, partnership, company or a corporation, as well as the reason for this selection.

|  |
| --- |
| **CONTACT DETAILS** |
| Business Name  |  |
| Legal Form |  |
| Registration number |  |
| VAT number |  |
| Contact person |  |
| Postal address |  |
| Street address |  |
| Phone number |  |
| Fax number |  |
|  |
| **ORGANISATION TYPE** |
| The organisation conducts its main type of business in the following sector(s): |
| Agriculture | [ ]  |
| Mining and Quarrying | [ ]  |
| Manufacturing | [ ]  |
| Electricity, Gas & Water | [ ]  |
| Construction | [ ]  |
| Retail & Motor Trade and Repair Services | [ ]  |
| Wholesale Trade, Commercial Agents & Allied Services | [ ]  |
| Catering, Accommodation & Other Trade | [ ]  |
| Finance & Business Services | [ ]  |
| Community, Special & Personal Services | [ ]  |
| If other, please specify:  | [ ]  |

##

## **BUSINESS PROFILE AND SHAREHOLDING**

## **Overview of the Business Shareholding and Ownership Interest**

* By utilising the diagram below, provide the organisation’s first level of shareholding or ownership interest, for example\*:

\*The organogram above is only an example, you should provide your entity’s details here. Add shareholder diagram and percentages of shareholding.

## **Overview of Products and Services provided**

* Provide a short overview of the organisation’s products and services.

## **Overview of Intended Client Base**

* Provide a detailed overview of the organisation’s intended client base
* Also specify to which category\* the organisation intends to provide products and services

|  |  |
| --- | --- |
| Client Category | Number of Clients |
| [add client categories]\* | [add estimate number of clients] |
|  |  |
|  |  |

* Most business plans implemented by organisations include a brief mission statement, usually 30 words or less, explaining their reason for being in business and their guiding principles. A vision statement should define the organisation’s future goals. The statement should therefore outline what the organisation would like to achieve and the timeframe within which these goals should be achieved. The vision statement should ideally be written in a succinct and inspirational manner.
* Example of a vision statement: *“Our vision is to be universally recognised as South Africa’s leading pet insurance advisory firm most admired for its friendly and professional customer service”*

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| **VISION & MISSION STATEMENT** |
| Vision Statement: |
|  |
|  |
| * While the business plan should recognise that your vision will not be a stationary target, it should show the current status, current needs and future prospects of the vision or project. The plan should also emphasise the strengths of your company while realistically recognising its challenges and potential strategies to overcome or minimise existing challenges.
 |
| **Current Status:** |
| **Current Weaknesses to be Addressed:** |
| **Future Prospects:** |
| * The organisation’s mission statement should be followed by setting out its goals and objectives. Goals signify the organisation’s long-term desired outcomes, whereas objectives are short-term progress markers. For example, a goal might be to have a healthy, successful company that is a leader in customer service and has a loyal customer following. An objective might be specific annual sales targets.
 |
| **Organisational Goals:** |
|  |
|  |
| **Organisational Objectives:** |
|  |
|  |

* The underlying culture and philosophy of the organisation should also be described. Examine and define the desired ethos that will inform the organisation.

|  |
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| **PRINCIPLES INFORMING THE ORGANISATION’S CULTURE:** |
| A Commitment to Fostering Transparency | [ ]  |
| A Commitment to Sustainability | [ ]  |
| Treating Customers Fairly | [ ]  |

#

# PRODUCTS AND SERVICES

* The products or services section of the business plan should clearly describe the organisation’s products and/or services with emphasis on the value that the organisation will be providing to its customers or clients.
* This section will also include pricing information, a comparison to similar products or services in the market and an outline of future offerings.
* What factors will give the organisation competitive advantages or disadvantages? Examples include level of quality or unique or proprietary features.
* What are the pricing, fee or commission structures of the organisation’s products or services?
* Also highlight which products and services have additional risks attached to them.

|  |
| --- |
| **Product / Service Description** |
| Product / Service Description | Pricing Information/ Structure | Comparative Products on the Market | Potential Future Offerings | Risks / Regulatory Factors, etc. |
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# OPERATIONAL PLAN

* The organisation must have the necessary operational ability, including adequate and appropriate human, technical and technological resources, to effectively function in the industry that the organisation is situated in, and to render services in an effective and adequate manner.

|  |
| --- |
| **GENERAL OPERATIONAL REQUIREMENTS** |
| **Fixed Place of Business** |  |
| **Equipment**The organisation will need adequate storage and filing systems for the safe-keeping of records, business communications and correspondence.  |  |
| **Technical and Digital Resources**Examples include: Microsoft Office, Pastel Payroll, The Fit and Proper Tracker System & SuiteBox |  |
| **Special Requirements**Examples of this can include specific water or high electricity needs. |  |
| **Materials Required** |  |
| **Inventory** |  |
| **Feasibility** Describe whether any product testing, price testing, or prototype testing was done on the product or service. |  |
| **Legal**Describe any licensing and mortgage requirements applicable to the organisation. List whether the organisation has any permits for work and safety, whether there are any applicable health or environmental regulations.  |  |

##

##  **HUMAN RESOURCES**

* The Governing Body will appoint and delegate duties to management staff in a manner that sets out the clear divisions between the different roles within the organisation, as well as encourages the effective exercise of responsibilities.

## **Organogram**

The following people are responsible to oversee the functions of the organisation:

*\*The organogram above is only an example, you should provide your entities details here.*

## **Information on the CEO and the Governing Body**

* Under this section, the organisation should set out the governing body
* Attach to the Strategic Business Plan the curriculum vitae for the above-mentioned persons, setting out their respective qualifications and experience:

The governing body is responsible for ensuring an ethical culture, good performance and effective control within the organisation, as well as legitimacy with stakeholders.

|  |  |  |
| --- | --- | --- |
| Full Names & Surname | Position | Annexure Reference Number |
| [Mr X] | [CEO] | [Annexure 3A] |
| [Ms Y] | [Financial Director] | [Annexure 3B] |
| [Mr Z] | [Chief Information Officer] | [Annexure 3C] |

## **Human Resources Policies and Procedures**

* Attach to the Business Plan the organisation’s Human Resources Policies and Procedures.

The following HR Policies and Procedures are attached to the Strategic Business Plan:

|  |  |
| --- | --- |
| Policy / Procedure | Annexure Reference Number |
| [Code of Conduct and Disciplinary Code] | [Annexure 3D] |
| [Performance Management Policy] | [Annexure 3E] |

## **Key Managers**

* Under this section, the organisation should set out the key managers.
* Where the organisation has more than 10 employees, draw up an organisational chart showing the management hierarchy and who is responsible for which key functions.
* List who is on the management advisory board, the organisation’s legal team, the accounting team, any consultants, mentors and key advisers.

Take steps to ensure that the appointed Key Managers provide a balanced team, capable of remaining in good standing and fostering the organisation’s ethical reputation. Ensure that the experience and expertise of the organisation’s key managers are also able to contribute to facilitating the achievement of the organisation’s future plans.

|  |  |
| --- | --- |
| Full Names & Surname | Position |
| [Mr X] | [Marketing Manager] |
| [Ms Y] | [Human Resources Manager] |
| [Mr Z] | [Operations Manager] |

# MARKETING

* This analysis should examine the nature and size of the market, how fast the market is growing and where the gap in the market is, what gave rise to the gap and how the organisation can fill this need.
* This section should also set out what the barriers are with regard to entering this industry, the risk factors and deficiencies such as new regulatory rules and legislation.
* Any significant competitors should be discussed, focusing on the competitive edge offered by the organisation.
* Key members of the organisation should review the financial, regulatory and cultural factors that influence the industry.

## **ANALYSIS OF THE MARKET, INDUSTRY AND OPPORTUNITY**

|  |
| --- |
| **Competitor Analysis** |
| Factors | Organisation | Competitor A | Competitor B | Notes |
| Product |  |  |  |  |
| Price |  |  |  |  |
| Quality |  |  |  |  |
| Special Features |  |  |  |  |
| Unique Selling Points |  |  |  |  |
| Service |  |  |  |  |
| Reliability |  |  |  |  |
| Expertise |  |  |  |  |
| Demand |  |  |  |  |
| Appearance |  |  |  |  |
| Sales Method |  |  |  |  |
| Advertising |  |  |  |  |
| Image |  |  |  |  |

## **MARKETING PLAN**

* Under the marketing plan, discuss the pricing, placing and promotion of products and services offered by the organisation.
* Describe the customers that the organisation will target. Clearly define the target market’s demographic, age and gender, their psychographic profile, their interests, their wants and needs in relation to the organisation’s products or services.

## **ADVERTISING**

* Determine and define the organisation’s niche and outline an advertising strategy that is consistent with the organisation’s niche.
* Explore and describe unique advertising techniques.This will set the organisation apart from its competitors.

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| **All Advertisements, Brochures or Similar Communications must be Independently Reviewed**  |
| Prior to publishing any advertisements, the organisation has taken reasonable measures to ensure that the information provided in the advertisements, brochures and similar communications is not misleading in any way. | [ ]  |
| The advertising and marketing department have reviewed existing policy schedules to ensure that the insurer underwriting the policy is mentioned in all relevant advertisements.  | [ ]  |
| Any statistics, performance data, achievements or awards referenced in advertisements, brochures or similar communications are referenced properly, with the source and the date thereof disclosed in the advertisement  | [ ]  |
| Regional managers and the compliance officer have reviewed the gifts registry and advertisements. | [ ]  |
| All public documents have been reviewed by the head of advertising to ensure that the organisation’s registered name is included. | [ ]  |
| Adequate records have been kept of all advertisements, brochures or similar communications. | [ ]  |

# FINANCIAL PLAN

* The financial forecasts are the core of most strategic business plans and usually the starting point in their preparation. The forecasts express the intentions in terms of profit and cash. In order to prepare the forecasts, certain assumptions about what will happen to the organisation, must be made. It will also be necessary to have a clear picture of the organisation’s present financial position in order to define the starting point.
* The organisation must have clear accounting policies and procedures to enable it to record, report and deliver in a timely manner, all relevant financial reports to the requisite regulatory bodies. The accounting procedures must also ensure that the organisation’s financial statements provide a true and fair view of its financial position.
* The following forecasts should be included in the organisation’s financial plan:
	+ A Profit and Loss Account;
	+ A Balance Sheet and Cash Flow Statement;
	+ A 5-year Historical Data Report;
	+ A Medium-term Budget Plan;
	+ Operational Performance Targets;
	+ Financial Performance Targets; and
	+ Detailed Discussion of Underlying Assumptions.

# STRATEGIC ACTION PLAN

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Activity** | **Strategic Objective** | **Potential Risk** | **Time Frame** | **Responsible Person** |
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