

## **BUSINESS PLAN AS A BUSINESS DEVELOPMENT TOOL**

Ukrainian enterprises today are faced with a number of challenges, which have arisen out of the COVID-19 pandemic consequences and have aggravated severely due to the full-scale invasion of Russian Federation. Such challenges include those related to the safety issues, interruption of logistic supply chains, decrease of solvent demand, hostilities, attacks on the infrastructure objects, etc. Under such circumstances much more considerate approach is needed while starting or operating business. In order to start a business a potential businessman has to analyze comprehensively all the key aspects, related to business operating. The same point can be applied to the situation, when a business owner or manager considers business expanding. In both cases a thorough analysis must be held. Business plan in its turn is an efficient toll which provides the opportunity to conduct research on the business idea implementation terms and to substantiate the respective decision.

Business plan is a comprehensive document which contains business objectives and defines the ways to achieve those objectives as well as the resources needed. Business plan can be formed for starting a new business and for expanding the existing business.

Business plan provides the following advantages for the business: forms a so-called “road map” of the sequence of steps that should be undertaken in order to create or expand the business; provides the assessment of the effectiveness and efficiency of the business idea, thus defines its viability; during the business plan formation, the main risks related to the business idea implementation are identified, which provides an opportunity to define the measures for risks mitigation; business plan is an important tool of communication with investors / creditors, and it is a tool which helps to attract necessary financial resources.

As a system and complex process, business planning involves several stages.

1. Preparatory stage. At this stage the necessary information support is formed. In order to prepare a detailed and comprehensive business plan a lot of diversified information is needed. The key elements of information support of business planning include data on the conditions of external environment, competitive environment, state regulation in a particular sphere, peculiarities of production process, key consumers, etc. So, the first stage of business planning involves collection and processing of the relevant information.

2. Formation stage. This stage directly involves the development of business plan according to a certain structure. It should be noted that there is no single approach to the business plan structuring. Different institutions have their own approaches, which can differ significantly from each other.

3. Presentation stage. The last but not least stage of business planning is presentation. As we have mentioned, business plan is a means of communication, first of all, with investors / creditors. In order to attract the necessary funding business plan has to be presented to investors and / or creditors to persuade them that the business idea has large perspectives and is efficient. A proper presentation multiplies chances of funding attracting, that’s why it is important to prepare a decent speech as well as supplementary materials.

As it was mentioned above, there is no single approach to the business plan structuring. Different financial institutions have their own recommendations on the content and structure of business plan. One of the most popular approaches is provided by the United Nations Industrial Development Organization. According to the respective approach the following chapters should be included:

1. Project summary – a brief information about the main business project parameters and indicators.
2. Description of the company and the project environment – includes key information on the company initiating the project, as well as description of the external (including competitive) environment factors which will influence the project implementation.
3. Description of the project – provides the information on the project objectives and about the key products of the project.
4. Marketing plan (or market analysis) – involves the information about target audience, forecasted sales volumes and the elements of marketing-mix (pricing, sales, and promotion policy).
5. Production plan – contains the information about the technology process and substantiates the resources, needed for project implementation.
6. Organization plan – defines management system of the project.
7. Financial plan – provides data on planned income and expenses, financial results as well as project efficiency estimation.
8. Risk analysis – identifies key risks and measures of their mitigation.
9. Appendices – additional information (if needed).

So, business plan is a powerful tool which allows to identify key aspects of the business idea, to evaluate its efficiency and to attract necessary funding. If business plan is properly formed, it creates large opportunities for business development.