

# Business Planning

Business Planning includes creation of a project report which describes the business plan and assessment of the business viability based on it.

It helps to set up a structured business and saves time and resources in the long run.

Writing a business plan is an opportunity to carefully think through every step of starting your business. This is a chance to discover any weaknesses in your business idea, identify opportunities, and plan how you will deal with the challenges that are likely to arise.

## Essentials of Business Planning

### 1) Business Identification :-

It includes considering few key points such as identifying business activity, business name, mission statement, supporting members, business type, place of business, project cost etc.

### 2) Competition Study

Identifying your competitors and evaluating their strategies to determine their strengths and weaknesses relative to those of your own product or service. It includes the study of No. of competitors, market and trend analysis, services offered, pricing etc.

### 3) Capital Expenditure

Capital expenditure is an amount required to be spent to acquire assets in order set a business. These are the Estimated Cost for Start up, space deposit, machines, equipment, furniture etc. should be considered while planning the business.

### 4) Need and Sources of Funds

Businesses need finance for different purposes, but there are some common reasons why businesses apply for funding. This can include loans for

- Start a business, e.g. pay for premises, new equipment and advertising.
- Run the business, e.g. having enough cash to pay staff wages and suppliers on time, for holding inventory and receivables (i.e. working capital).
- Grow the business, e.g. having funds to expand the business such as addition to new products, increase the capacity, or for starting a new branch in a different city or country,

When the need for funding is finalized, one needs to look for different funding sources such as Banks (nationalized, private, co-operative), NBFCs, Government Schemes and Subsidies etc.

## Information required while planning a Business

While researching and writing your business plan, it is likely that you have gathered, or accessed, a significant amount of information such as :-

- 1) Cash flow statement.
- 2) Income statement.
- 3) Balance sheet.
- 4) Detailed financial projections.
- 5) Capital equipment list.
- 6) Letters of support, reference, or credibility.

**List of Documents required for Project Report**

- 1) KYC documents – PAN card, Adhar Card.
- 2) Address Proof- In case of own property- Index-II.
- 3) In case of rental property- Light bill & rent agreement.
- 4) Quotation of machinery, equipment, furniture & other assets to be purchased.
- 5) 2 passport size photographs of applicant.
- 6) ITR/ form 16A- mandatory for existing business.
- 7) 6 months bank statement.
- 8) ShopAct / grampanchayat NOC.
- 9) Business specific license.
- 10) Work orders if any.

**In case of guarantors**

- 1) KYC documents of guarantors
- 2) Passport size photographs
- 3) Electricity bill
- 4) 3 months' salary slips
- 5) 2 years Balance sheet
- 6) Bank statement

**Turn Around Time (TAT):**

It takes approx 2 working days once all documents along with additional information is received

**Deliverable:**

Project Report

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