

Factsheet 1

Essential business planning questions for charities.

Are you a charity or non-profit preparing your first business plan but aren't quite sure where to start? The following questions will help you to prepare and structure a business plan for the first time or help you update an existing plan.

The Vision

1. What is the Vision for the organisation over the next 3 - 5 years? Start with the end in mind.

The Opportunity

2. What is the opportunity for the organisation, and separately for each of the stakeholders (clients, funders, trustees, employees and partners)? Answering this question is essential before continuing with the rest of the plan.

Client Research

3. What would stakeholders (clients, funders, trustees, employees and partners) say that is good and bad about the organisation, if they were being really blunt?

Management Team and Organisational Structure

4. What are the strengths and weaknesses of the current management team and organisational structure, and how could they be improved to meet the challenges in the future?

Values and Culture

5. What characterises the values and culture of the organisation and in what ways are they a strength and a weakness?

Industry and Market

6. What will be the main driving forces in the charity sector that the organisation will have to plan for?



Leadership and strategic development series

Strategy

7. What business will the organisation be in over the next 3 to 5 years, what will its competitive advantage be (price or differentiation), and how can it add functional value to its offering to its stakeholders (clients, funders, trustees, employees and partners)?

Growth Plan

8. What is the planned growth over each of the next 3 to 5 years in terms of turnover, direct costs, gross margin, overheads, reserves and in terms of impact (you might want to use a tool such as Social Return On Investment - SROI)?

Products and Services

9. What products and services are the organisation offering now, and that new ones will it be developing for the future?

Functional Departments

Marketing

10. Who will the clients and funders of the future be and what marketing mix will the organisation use (i.e. product, place, promotion, price, principle)?

Fundraising and Sales

11. How will the organisation turn suspects into prospects and then into advocates without being squeezed on margins by the clients?

Operations

12. What additional workflow structure needs to be developed to support the organisation and deliver its promise to clients?

Human Resources

13. What additional recruitment, training, appraisal and remuneration need to be put into place to attract exceptional people to want to work with the organisation?

Information and Communication Technology (ICT)

14. What additional ICT infrastructure needs to be developed to support the organisation?

Office Management

15. What additional office management needs to be developed to support the organisation?

Accounts

16. What improvements need to be made to the accounting process so that financial information can be collected and analysed to better inform the financial statements?



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Financials

17. How much more management information needs to be available to the Trustees at Board meetings, and to the Executive Management Team, to enable them to run the organisation better?
18. What key indicators and financial ratios do you need to use to ensure that the organisation is generating sufficient net profit to achieve an appropriate surplus and Social Return on Investment (SROI)?
19. What additional funding will the organisation require over the next 3 - 5 years and how will it be structured (restricted/unrestricted)?

Legal

20. What additional risks will the organisation face that would be mitigated by improvements to the contracts and the insurances?

Impact

21. What is the impact (perhaps using a tool such as SROI) of the organisation overall, and separately of each of the areas of the organisation's activities?

Swot and Risk Analysis

22. What are the most significant strengths and weaknesses that the organisation has in meeting the challenges of the next 3 - 5 years, and what are the most significant opportunities and threats that it will have to face?

Business and Implementation Plans

23. How soon will the Business and the Implementation Plan need to be ready to ensure that the organisation stays on track to achieving its Vision?

With special thanks to Jamie Neil for sharing this business and implementation plan structure and key questions.

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