

How to write a business plan for Small Businesses.



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- ▶ **Checklist for application of new banking facilities**

What a bank looks for?

The 5C's of Credit

1. Character

2. Capital

3. Capacity

4. Conditions

5. Collateral (security)

Keeping a clean record

- ▶ Not **overdue** in other loan/financing repayments
- ▶ No **creditor/legal** issues
- ▶ No bounced **cheques**
- ▶ Up-to-date **audited accounts**

What is a Business Plan?

A written plan outlining:

1. Your vision/objectives

2. How the business is to be managed to achieve these objectives

What should your business plan include?

1. An introduction to your plan

2. Who you are and what your business does

3. Industry, competitors and business strategy

4. Financials – past, present and future

5. Other supporting documents

What should your business plan include?

1. An introduction to your plan

▶ Financing Request

- ▶ Type
- ▶ Amount
- ▶ Purpose
- ▶ Repayment

▶ Reasons for future success

▶ Contact details

What should your business plan include?

2. Who you are and what your business does

▶ **Background & history**

▶ **Business & product**

- ▶ A description of your product(s), pictures/samples

▶ **Directors and management profile**

- ▶ Organisation chart, track record

▶ **Business Cycle**

- ▶ Your buyers and sellers
- ▶ The terms of your business dealings

▶ **Production process**

- ▶ The process involved in producing your product(s), production, capacity, volume, etc.

What should your business plan include?

3. Industry, competitors and business strategy

▶ Industry Overview

Describe the industry you operate in and how your business fits in this industry

▶ Who your competitors are

▶ The factors that will ensure your success

Strengths	Opportunities
Weaknesses	Threats

▶ What is your business strategy

Briefly describe your unique value proposition. For example, lower cost hence better value for money, your focus on niche markets allows your expertise to flourish, etc.

▶ Sales and marketing strategies

What should your business plan include?

4. Financials – past, present and future

- ▶ **3 Years' historical audited accounts**
- ▶ **Latest management accounts**
- ▶ **Future projections – at least 1 year**
- ▶ **Bank statements and loan statement**
 - ▶ Repayment record
 - ▶ Cashflow management

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