



Sample Business Plan
A Really Useful Free E-Resource
(RUFER) from
www.athomeworking.co.uk

Sample Business Plan: A RUFER developed by At Home Working.co.uk

This sample business plan has been developed for the www.athomeworking.co.uk website. The sample plan is based around a fictional wooden toy business: All Wood Toys. All names and situations are fictional, and are used solely to illustrate the business planning process.

Background

Michael Woodentop uses only eco-friendly materials. The wood he uses comes from sustainable sources, and the paints he uses are from natural dyes that won't harm the environment when disposed of. He loves to work with wood, and he hopes that his toys will become heirlooms. He also wants to ensure that they are not only safe for the children, but safe for the environment too.



Michael has decided that he wants to work from home, using his existing garden workshop. He doesn't want the expense of a retail outlet, and believes that he has a great product to sell to a worldwide market over the internet. Michael has thought about his business objectives, and decided that he wants to make about 12 toys a month. This will give him enough time to spend time with his family, and playing his beloved golf, and should earn him a reasonable amount of money.

He estimates his average sale will be £85, based on what has been most popular with family and friends. If the demand for his toys grows, Michael's son, another talented toy maker, plans to join the business.

Market Research

Michael searched for the terms [wood toys](#), [wooden toys](#), [all wood toys](#), [toy soldiers](#), [wooden dolls furniture](#). He found that there were a few toymakers, making beautifully crafted handmade toys. Most, however, were wooden toys from mainstream manufacturers. An example is shown below:



Web	Results 1 - 10 of about 65,700,000 for all wood toys . (0.26 seconds)
All Wood Toys	
Selection of old-fashioned, handcrafted durable wooden toys . www.allwoodtoys.com/ - 11k - Cached - Similar pages	
Wooden Toys - Fine Hard Wood Toys for Your Children's Children ...	
Fine Hard Wood Toys for Your Children's Children. I want my toys to be an ... You may return any toy for a prompt refund. All my toys are guaranteed for my ... www.woodentoy.com/ - 31k - Cached - Similar pages	
Heirloom Wooden Toys	
Maple Landmark makes educational products for all ages All their finishes have been tested as non-toxic and child safe. They hand craft their wooden toys in ... www.heirloomwoodentoy.com/ - 39k - Cached - Similar pages	

Michael checked the prices for comparative toys, and found that his could be priced competitively, and still give him a good income. He also searched for eco-friendly toys and toys from sustainable sources. He felt that he may have found a lucrative niche.

The next stage is to develop a Business Plan that he could use on a day to day basis. The first thing to establish is what he wants to achieve with the business- the **Business Objectives**.



Business Objectives

1. To establish All Wood Toys as a provider of top quality wooden toys that won't harm the environment.
2. To achieve sales of £12,000 in the first year.

The next part of the plan is to think about the main shape and structure of the business to meet the objectives- the **Strategy**. As this business will be online, the business strategy is built around keeping costs low, and building a successful online presence.

Strategy

1. To negotiate a lower price from his timber and paint suppliers, based on the sales expectations for the first year
2. To develop an online web shop
3. To achieve year round sales using his special birthday personalisation offer
4. To offer an opt-in newsletter to keep in touch with his website visitors and send them details of new toys and special offers
5. To link with a range of complimentary sites to improve search engine ranking, and sales. The type of sites will include eco-friendly sites, parent advice sites and craft sites.



A large part of the Business Plan outlines the activities needed to get the business moving towards its objectives- this is the **Activity Plan**.

Activity Plan

1. Choosing a Domain Name for the business.
2. Develop an eye catching website. This website will have:
 - a. Good quality digital photographs of the toy models on offer
 - b. A colour chart showing the range of eco-friendly paints to choose from
 - c. Easy to use, secure ordering portal
 - d. Interesting information about Michael, and his long experience of making wooden toys
 - e. Why he chooses eco-friendly paints, and wood from sustainable sources.
 - f. Testimonies of satisfaction from existing customers
3. A database will be compiled from an opt-in option on the website. All data will be kept confidential to All Wood Toys.
4. A monthly newsletter will be sent the people who have opted in. The newsletter will give details of new ranges, and special offers, as well as eco-snippets.
5. Orders will be processed daily. As all the toys are personalised, delivery will be five working days from order by courier.
6. A last minute order (next day) may be offered at a premium price, depending upon how busy Michael becomes.
7. Sales levels will be reviewed every Thursday, and the newsletter will reflect special offers, or the selling off of unsuccessful models.
8. Cut off points for peak times will be prominently displayed to ensure there are no disappointed customers at special holiday periods.



How to choose your domain name.

1. A domain name is your identity on the world wide web (www). It will allow people to access your site.



2. The best domain names tend to be short and easy to remember.
3. There are rules for extensions to domain names. For businesses in the UK, the extension .co.uk is often used. However, .com, .net, .eu and .org are also popular.
4. When deciding on a domain name, think about your business:
 - a. What are you promoting?
 - b. What message are you trying to get across?
5. Think about using words that are related to your business idea:
 - a. The name of the product or service you are selling
 - b. The name of your company
 - c. Your name
 - d. The type of customer you are targeting
 - e. The type of words your potential customer would use when *searching the web* for your product or service (keywords).
6. Domain name registration is not expensive. Some companies sell domain names for as little as £1.99 plus VAT per year.

All Wood Toys

Michael uses a reputable domain registration company to search for possible domain names. He finds *allwoodtoys.co.uk* and *allwoodtoys.net* are available. He registers these names.

How to develop your website

The first thing you need for your website is a clear **brief**:

1. What type of site do you want?
2. How will you make money from your site?
 - i. By selling your products?
 - ii. By selling other peoples products?
 - iii. By writing interesting content, and having affiliate links?
 - iv. By offering a directory of information?
3. Who is your target audience?
4. What do you want your target audience to do?
 - i. Buy from your site?
 - ii. Sign up for a newsletter?
 - iii. Fill in a questionnaire?
 - iv. Click on links through to other sites?
 - v. A combination of the above?
5. What type of look are you going for?
6. How often will the website be updated?
7. Will you need room for advertisements?
8. Would you like to have dynamic content, such as RSS feeds?
9. Then think about how you will get your website developed. You have three main options:
 - i. Pay a web site design company to do it for you.
 - ii. Develop it yourself using a program such as Dreamweaver or Frontpage.
 - iii. Use a web-building package, utilising readymade templates



The option you choose will probably be linked to how much money and time you have, and how complicated your website needs to be. If money is not a constraint, then **Option 1** may be the best solution. You can choose a good quality web design company, and let them do all the work for you. Remember that you need to be clear about what you want from your website, and ensure that the designers understand your brief.

Option 2 is good if you have some understanding of the internet, or are computer software savvy, and have time to develop your site.

Option 3 is great for those with limited money, requiring a straightforward website. You don't have to know much about computer software packages, and you can find quality templates and shopping portals on offer for a few pounds per month.

Whatever option you choose, remember that if you are clear about what you want from your website, and your brief reflects this, you won't go far wrong.

All Wood Toys

Michael has decided on option 3: to set up an online shop using a ready made shopping portal. He chooses a company that has a good reputation for hosting, and that has a wide range of options that he can use to develop his website as the business develops.

He makes sure that the package he chooses is easy to update when he wants to change his range. He ensures that he can access information about the number of visitors to his site, so that he can monitor how successful he is at getting people to look at his toys, and compare this to conversions into actual sales. He also needs a reliable site that will enable him to collect the details from visitors that opt in for his newsletter.

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