



Guide to Writing a Business Plan

Instructions:

1. Complete as many sections in this document as possible, or as required.

Throughout this document, ANZ has inserted example text to help guide customers on how to complete each section in a business plan. The text is **RED** and based on a fictional company called Chartwell's Chocolates.

Once you have read this text and understood how each section is to be completed, ensure that you replace this example text, with your own.

2. Save the document regularly whilst completing.
3. On completing your business plan, refresh the Index on page 3. For Microsoft Word users, right-click anywhere in the Index menu, select 'Update Field' and then 'Update Entire Table'. For those using other Word Processing applications please update manually or refer to your help manual.

Business Plan

Insert Company Name here...

Insert Company Slogan here...

Prepared By: INSERT NAME

Date Prepared: INSERT DATE

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BUSINESS SUMMARY

About the Company

Describe the origins, ownership, history, management and activity of your business. If it is a start-up business, describe the business concept.

Chartwell's Chocolates was incorporated in Melbourne, Australia in 2003. The shareholders and Directors in the company are John Chartwell (50%) and Julie Chartwell (50%). The business plans to begin trading in 2004 as a manufacturer of gourmet chocolate products.

Your Products and Services

Summarise the product or service that your business will sell

Chartwells Chocolates will sell a range of gourmet chocolate products

The Market

You can purchase information for this section from www.IBISWorld.com.au

Describe the market in which you will operate. Include the size and growth potential of the market.

The gourmet chocolate market in Australia is currently estimated at \$900.0m in annual sales with a projected growth rate of 9% per annum.

Describe the segments you will be targeting, your anticipated market share of those segments and your positioning within them

Chartwells will be targeting the top end of the market in terms of quality and aims to capture 6% of the gourmet chocolate market by the end of Year One.

The Business Potential

Outline your business' competitive advantages

Chartwell's Chocolates will be the highest quality Australian chocolate available using locally sourced dairy products and imported European cocoa. Chartwell's will have a signature range of 'Australian flavoured' chocolates, which will make them distinct in the international marketplace.

Describe your business' directions for growth

Chartwell's is aiming for annual sales of \$600,000 in its first year of operation. Adjusting for seasonal conditions, forecast sales for Month 12 represent an increase of 56% over Month 1. This will be driven by focussing on increasing the number of retail outlets stocking Chartwell's products. Future growth will be driven by the expansion of product lines, the introduction of an online sales channel and exporting to North America and New Zealand.

Mission, Goals and Objectives

If you have a mission statement, write it here

Chartwell's Chocolates strives to be Australia's most respected chocolate maker.

Your business objectives might cover targets for growth, customer numbers, revenue, profit and any other relevant measures.

Clearly state your business objectives, including performance measures and a deadline for achieving each one (often these will be annual targets).

Chartwell's aims to achieve \$6,000,000 in sales in Year One

Chartwell's aims to achieve 6% market share of the gourmet chocolate market by the end of Year One

Chartwell's aims for a net profit before tax of \$848,732

Strategies

Summarise your product, pricing, marketing, sales, distribution and strategies

Chartwell's will produce two ranges of gourmet chocolates, the Classic Range and the Australian Range, targeting the top end of the gourmet chocolate market, specifically local food connoisseurs and tourists purchasing gifts.

Product quality will match that of the European imported chocolates, although Chartwell's pricing will be slightly below these competitors due to lower manufacturing and distribution costs. Chartwell's will sell its products through specialty food stores and tourist shops. Sales to these shops will be via direct sales from Chartwell's and through Retail Agents.

Chartwell's will adopt a two-pronged marketing strategy, driving customer demand through magazine advertising and retailer demand through direct mail and relationship development.

Business Structure

Outline briefly the organisational structure of your business and key management personnel

John Chartwell, the proprietor of Chartwell's Chocolates will perform the role of Managing Director for Chartwell's chocolates and will be responsible for key sales, marketing and overall strategic decisions.

Reporting to him will be Mike Brown who will be responsible for production and product development and Julie Chartwell who will manage administration and accounts functions on a part-time basis.

A Production Assistant will be employed as production increases later in the year.

Finance

These will come from your financial analysis and will usually include turnover (sales), gross profit, and net profit.

State your key financial indicators here

Forecast turnover: \$600,000

Forecast gross profit: \$540,000

Forecast net profit: \$248, 732

Outline what finance is sought, how it will be used and how long you envisage it will take to repay

Chartwell's is seeking a \$50,000 term loan to fund initial cost of plant set-up and ongoing operating costs. It is anticipated this loan will be repaid over five years. A further \$100,000 capital is being funded by John Chartwell.

THE MARKET

Industry Profile

Describe briefly what industry you are in and the major characteristics of the market
 Chartwell's Chocolates is in the confectionary business, manufacturing and selling gourmet chocolate products. The gourmet chocolate industry in Australia is currently a 'boutique' industry with several small local manufacturers, many operating out of domestic kitchens.

Competitor products are typically sold through specialty retail stores and delicatessens in the manufacturers' local areas. Many specialty stores also import products directly from large manufacturers in Belgium and Switzerland.

Provide substantiation for your growth predictions – some good sources are www.IBISWorld.com.au, market research reports, newspaper articles, trade associations, etc. You may even commission your own research through a private company or through a Polytechnic or University.

Outline the size of the market, its prospects for growth and any trends likely to impact it in the future (such as political, demographic, fashion, consumer behaviour trends etc)

The market for gourmet chocolate products in Australia is relatively young with the Confectionary Association of Australia (CAAUS) estimating the total market to be worth \$9.0m in sales per annum. According to the CAAUS these sales can be broken down according to region and channel:

	Melbourne	Sydney	Brisbane	Other
Mail order/online	\$0.4m	\$0.5m	\$0.2m	\$0.2m
Specialty food stores	\$3.0 m	\$1.2m	\$1.0m	\$0.5m
Tourist shops	\$1.0m	\$0.7m	\$0.2m	\$0.1m

Trends in other gourmet foods (such as cheese and olives) in Australia indicate strong growth prospects for this market. According to an article in the National Reporter (Attached in Appendix) in December of last year, gourmet cheese sales have increased from \$23.8m in 1998 to \$34.9m in 2002.

The gourmet chocolate market in the US is seen as a good indicator for the growth of the market in Australia. According to research carried out by Davis Donaldson Research in 2003, the total US chocolate market grew by 13% that year fuelled largely by increased customer demand at the top end of the market.

For the purposes of this Business Plan, a conservative growth rate of 9% per annum is assumed for the Australian gourmet chocolate market over the next three years.

Competition

Describe each of the major competitors. Include relevant information on their size, market share, distribution channels, pricing strategy, target market, product lines, brands etc.

Chartwell's Chocolates commissioned students at Barret University to undertake a competitive analysis of gourmet chocolate suppliers to the Australia market in October 2003. They found that the market was made up of many small suppliers. The three largest are:

	Aunt Freda's	Bonbons of Belgium	The Chocolate Connoisseur
Products	Limited range of pre-packaged gift boxes	Wide range of pre-packaged bonbons	Middle-of-the-range boxed chocolates
Price	Medium-High	High	Low
Distribution	Specialty food stores and tourist shops	Specialty food stores and online	Supermarkets and online
Positioning	Home-made baking	Finest European chocolates	Australian made chocolate for Australians
Quality	Medium	High	Medium
Target market	Older Australians and tourists	Discerning connoisseurs with money to spend	All Australians (slant towards females)
Mkt share*	10%	20%	15%

*The remaining market share is divided between a number of small suppliers

Describe any barriers to entry into the industry. How will you overcome them? How will your competitors react to your entry into the market and what will be your response?

As gourmet chocolate is essentially a boutique industry in Australia, the barriers to entry are relatively few. The greatest barrier comes from large-scale manufacturers selling chocolate in Supermarkets and convenience stores. Their reaction to a potential competitor at the top end of the market may likely be to produce their own range of top-end products. We believe that by not selling Chartwell's products through Supermarkets and convenience stores, the brand will be able to maintain a prestige brand image.

Market Segmentation

See www.IBISWORLD.com.au, Australian Bureau of Statistics, government associations and trade associations may be useful sources of information

Describe how the customers in this market can be segmented into groups (this can be based on age, income, location, psychographic profile, company size etc). Summarise the size and characteristics of each segment. It may be useful to display this information in a table.

Segment:	Characteristics:	Size (annual sales):
Discerning connoisseur	Very high level of sophistication, prepared to pay for best quality, has typically purchased European chocolates from specialty food stores, would like option of selecting own chocolates (not pre-packaged). Usually buying for personal consumption, dinner parties etc	\$3.0m
Overseas gift buyer	Medium level of sophistication, looking for premium Australian product as gift or souvenir. Mostly older Australian and US tourists. Preference for pre-packaged selections. Prepared to pay mid-high price for premium product	\$2.3m
Personal gift buyer	Usually low-medium level of sophistication, packaging as important as quality of chocolate. Strong seasonal buying patterns (Christmas, Easter and Mothers Day). Preference split between self-selection and pre-packaged. Prepared to pay low - mid-range prices.	\$2.8m
Corporate gift buyer	Usually medium level of sophistication. Often buying in bulk for multiple gifts. Preference for pre-packaged selections. Strong bias towards Internet sales. Prepared to pay mid-range prices	\$0.9m

MARKETING PLAN

Your Customers

When considering which segments to target, consider the size of the segment, the sales margin achievable and the 'fit' of your product or service

This may include information on age, income, occupation, lifestyle etc. It may be useful to create a 'typical customer' profile.

From your analysis of the various segments in the previous section, discuss which segments of the market you will focus on. What are your reasons for doing so?

Chartwells will focus on the Discerning Connoisseurs and Overseas gift buyers. These segments represent approximately 65% of the market and tend to be the most willing to pay well for quality gourmet chocolates.

What do you know about the customers in your target segments?

A typical 'Discerning Connoisseur' is based in one of the main centres and works in a white-collar profession or in the food industry. They tend to have an income in excess of \$50,000 per annum, are usually aged 40+ and married with children. Other common interests are wine appreciation, travelling and dining out.

A typical Overseas Gift Buyer is New Zealand or North American and fits a similar demographic profile to the Discerning Connoisseur above. On average, tastes tend to be slightly less sophisticated and they will often take high price as a sign of good quality.

What are they looking for from a product or service such as yours?

Discerning Connoisseurs are looking for the best tasting chocolates to enjoy personally or to serve at dinner parties, usually to other discerning connoisseurs. It is important for them to keep up with the Jones's by being up to speed with latest food trends.

Overseas gift buyers are looking for an attractive, quality gift to give to friends and relatives overseas. Gifts need to be well packaged (attractive and durable) and small enough to travel well. Ideally, they are looking for something uniquely Australia.

How do they value the relative importance of the various characteristics of your product/service offering (such as price competitiveness, quality of goods, after-sales service etc

Relative importance of key selling factors to target market:

	Overseas Gift Buyer	Discerning Connoisseur
Price	Low	Low
Taste	Medium-High	High
Packaging	High	Medium-High
Knowledgeable retailer	Medium	High
Convenient retail location	High	Low

You should consider things such as whether they like to buy in a shop vs. online, whether buying is an impulse or considered decision, whether they buy for business or leisure etc

Describe their buying behaviour – when, where and how do they buy?

Discerning Connoisseurs: Buy from specialty food stores, usually located in 'trendy' districts of major cities. Prepared to travel for up to 30 minutes to purchase, mostly on the weekends. Like to buy from someone with knowledge of the product. High volume at Christmas.

Overseas Gift Buyers: Buy at airports, tourist shops and specialty food stores in main tourist centres. High volume in summer months from December to February.

What media do they read, watch and listen to?

One interest the two target segments have in common is travelling. Airline magazines are well read by both. *The Qantas Airlines Magazine* is the most widely distributed with circulation of 65,000 and average readership per magazine of 4 people.

This is Food is by far the most well read publication amongst Discerning Connoisseurs in Australia with a circulation of 115,000. Lifestyle sections of regional weekend newspapers are also popular.

Outline any specific customers, contracts or orders that you have in place

Chartwell's has orders in place for March 2004 from Sal's Souvenirs, a national chain of tourist shops and Fred's Fine Foods, a network of delicatessens in Melbourne and Sydney.

Strengths, Weaknesses, Opportunities, Threats

Outline the strengths of your business

- ❑ Existing contracts in place
- ❑ Reputation of Mike Brown, high profile Australian chef
- ❑ Unique Australian product

Outline the weaknesses of your business

- ❑ Currently limited range of products
- ❑ Relatively small, new player – lack of profile

Outline the opportunities of your business

Export to foreign markets

Online retailing

Product expansion – nut based chocolates

Outline the threats of your business

Loss of key personnel

Large manufacturer entering gourmet market

Sales and Marketing Objectives

State the sales targets you expect to achieve over three months, one year, five years (choose periods of time relevant to your business). State these in terms of unit sales and \$sales

Chartwell's aims for sales of \$600,000 in Year One. This is broken down by month and by product line in the table below:

Forecasted sales for Year One (\$000)

	M	A	M	J	J	A	S	O	N	D	J	F	Total
Classic Gift Boxes	2	2	2	4	4	4	4	4	10	30	4	4	74
Classic Individual Chocs	18	18	18	24	24	24	24	24	28	30	24	24	280
Vintage Gift Boxes	6	6	6	8	8	8	8	8	20	30	20	20	148
Vintage Individual Chocs	6	6	6	8	8	8	8	8	10	10	10	10	98
Total	32	32	32	44	44	44	44	44	68	100	58	58	600

Typical objectives focus on customer acquisition, customer retention, brand awareness etc

State your marketing objectives, ensuring they are SMART (specific, measurable, achievable, realistic and time-bound)

To obtain 6% of the gourmet chocolate market by January 2005 (as measured by the annual CAAUS survey)

To achieve 25% awareness rating of Chartwell's Chocolates amongst readers of *This is Food* and *The Qantas Airline Magazine* (as measured in privately commissioned survey in December 2004).

To have Chartwell's chocolates in 165 retail outlets in Australia by 28 February 2005

Value Proposition

What are the compelling reasons for a customer to purchase your product or service?

Chartwell's chocolates will be the highest quality Australian chocolate available. The quality will be comparable to that of the finest European chocolates, but because they are locally made they will be more price competitive.

Describe the ideal 'customer experience' when dealing with your company or when using your product or service

Chartwell's wants everyone who eats one of its chocolates to feel as though they are enjoying one of the world's most luxurious eating experiences. Someone receiving Chartwell's as a gift should feel delight at receiving the finest chocolate available. Wholesale customers should feel confident that the chocolates they will be selling will enhance their own store's reputation and delight their customers.

What are your brand values – what feelings and emotions will customers associate with your business, your products and your services?

Key brand values for Chartwell's Chocolates are luxury, quality and taste

This statement should also take into account the factors that your target customers find important (identified in Section 1 above)

From the above statements, summarise how your business will deliver value to the target customers you identified in Section 1 (above). This is your customer value proposition.

Chartwell's will sell the finest tasting and most exquisitely presented chocolates in Australia for chocolate connoisseurs and discerning gift buyers

Your Product or Service

Describe the products or services that your business will sell

Chartwell's chocolates will sell a range of high quality bonbon style chocolates. They will be sold as pre-packaged boxes or 'pic and mix' selections. The pre-packaged boxes will consist of an assortment of 36 chocolates. The individual chocolates will be sold to Specialist Food stores in 100 lots.

There will be two ranges of flavours – the Classic Range and the Vintage Range. The Classic Range will initially consist of: coffee, dark chocolate, white chocolate, almond, marble and cinnamon

The Vintage range will initially consist of: kiwifruit, rata honey, wild berry and chardonnay

What are its unique features?

The chocolates will be made using Australian cream (Australian dairy products are considered world-class). The Vintage range will also be made using distinctly local flavours and ingredients.

Unlike local competitors, Chartwell's will source its cocoa from Europe - considered to be the best quality available.

How will customers use it – will it change the way they currently do things? What customer problem will it solve?

Customers will buy chocolates mainly for dinner parties, as gifts or for personal consumption.

How will your range of products or services change over time?

Chartwell's plans to expand the range of flavours available over time. It is anticipated the first product expansion will be a range of nut-based chocolates.

If it is a new product or service to the market, describe any other markets in which it is currently sold.

Not applicable for Chartwell's Chocolates

What stage of development has your product or service reached? What is required to get it ready to market?

The Vintage and Classic ranges of chocolates have been developed. To be ready for market, the baking processes needs refining to allow for mass production. It is anticipated that this will take two months.

Pricing

Outline the price structure for your product or service

Individual chocolates will be sold in 100 lots to retailers for \$100.00. Gift boxes of 36 chocolates will sell for \$40.00 each

How have you determined this price (market-based, cost-plus, value-based etc)?

This pricing structure is based on market prices. Chartwell's prices are considered Medium-High by the market.

How does your pricing strategy compare to the market, to your competitors?

The only product of comparable quality in the market is Bonbons of Belgium whose pricing is considered High. Freda's pricing is comparable to Chartwell's but quality is inferior.

Promotion

Some of the major activities you may consider are advertising, public

Outline the ways in which you will promote your product or service to the target market.

Outline a timeframe and budget for each initiative and if possible, describe how you will measure the success of each promotional activity (these should link back to your sales an marketing objectives outlined in Section 3)

relations, direct
marketing, website
marketing, events
and sponsorships

Advertising:

Full page ad in *This is Food* and *The Qantas Airline Magazine*
Monthly placement in each magazine
To drive demand for Chartwell's chocolates amongst consumers
Targeting discerning connoisseurs in Australia and tourists
Supporting objective of 25% awareness of Chartwell's Chocolates
Cost: \$1k per ad per month + \$5k ad development cost in Month One - Total \$29k

Direct Mail

Two direct mail campaigns to Specialty food stores and tourist shops
1st campaign in March 2004 (at launch), 2nd campaign in September 2004
To make retailers aware of Chartwell's Chocolates
Targeting potential retailers
Supporting objective of Chartwell's being sold in 165 retail outlets
Cost \$5k per campaign – Total \$10k

Market Research

Commissioned research of readers of *This is Food* and *The Qantas Airline Magazine*
December 2004
To measure advertising effectiveness (thereby supporting 25% awareness of Chartwell's Chocolates)
Cost: \$2k
NB: All of the above activity also support the objective of 6% market share by 28 February 2005 (end of year one)

Sales and Distribution

Channels include
retail stores, mail
order, wholesale
warehouse, door-to-
door etc

Describe the channels through which your customers will buy your product or service.

Include estimates of the sales expected through each channel.

Chartwell's Chocolates will be sold to consumers through Specialty Food Stores and Tourist Shops. Chartwell's will utilise two channels to sell to these retail stores:
Direct Sales – Chartwell's will form relationships with large retailers and retail chains and sell directly to them

Retail agents – Chartwell's will also sell via retail agents – large brokers who buy in bulk from suppliers and on-sell products to smaller retailers

Assess the costs and benefits of each channel.

The following table compares the cost of the two sales channels. Chartwell's expects its sales to be split 50/50 between the two channels.

	Direct Sales	Agents
Avg order value	\$500	\$3,000
Est number of orders	600	100
Total value of sales	\$300,000	\$300,000
Time cost per order	\$36	\$50
Delivery cost per order	\$10	\$15
Commission cost per order	-	\$150
Total cost per order	\$46	\$215
Total cost of sales	\$27,600	\$21,500

OPERATIONAL PLAN

Production

If you will be selling a product, describe how you will produce it. Describe the production processes involved (especially if they are unique to your business)

Chartwell's chocolates will be manufactured using a ChocMaker commercial chocolate press at its own premises.

Outline any policies regarding 'make-or-buy' decisions (which components of the product will be purchased and which operations will be performed by your work force).

Chartwell's will buy all raw ingredients from local wholesalers, with the exception of cocoa, which will be imported directly from a wholesaler in Italy.

Chartwell's own workforce will be responsible for process of making chocolates. This will ensure tight quality control.

Packaging for gift boxes will be outsourced to Pete and Pam's Packaging.

Outline any strategic partnerships or supplier agreements that you have in place

Chartwell's have an agreement with The Italian Cocoa Company to supply cocoa to them exclusively in Australia.

Premises, Plant and Equipment

You may like to include any relevant documentation as an Appendix

Describe the premises necessary to operate your business. Include details of relevant lease details, property valuations, rental assessments etc.

Chartwell's will operate out of leased factory and office space at 123 Smith Road, Oakleigh, Victoria. Chartwell's has signed a 3-year lease on the space at \$1,000 per month.

Describe the plant and equipment required to run your business. Do you plan to lease or buy? What maintenance is required? What is the expected 'life' of the plant and equipment?

Chartwell's requires a ChocMaker commercial chocolate press to manufacture its chocolates. It also requires a delivery van, office furniture, a computer, fax/printer and software. All of this equipment will be purchased second-hand.

Discuss the reasons for the location of your business. Consider such things as foot traffic, proximity to suppliers and customers, access to workforce etc

Chartwell's location is in a major industrial area, close to major transport routes. It is in an older part of the industrial estate to take advantage of lower rental levels.

FINANCE PLAN

Capital Requirements and Funding Proposal

Indicate what finance is required to operate the business and where it will come from.

If you are seeking external lending or investment, outline what you require, what it will be used for and how you intend to repay it

John Chartwell will be providing \$100,000 of Chartwell's Chocolates initial capital requirement.

Chartwell's is seeking a further \$50,000 funding by way of a bank loan. The proposal is to repay this loan over a five-year period, repayments to be funded by business cashflows.

Current Financial Position

If your business is currently trading, include your financial records for the past year.

This might include the Profit and Loss Statement and Balance Sheet.

Not applicable for Chartwell's Chocolates

Financial Assumptions

Describe all assumptions used in preparing your financial forecasts

Income:

Chartwell's has orders for \$32,000 for March 2004. Sales for the first three months are expected to remain at these levels whilst Chartwell's establishes itself. Thereafter, Chartwell's expects to add \$4,000 in sales per month. November and December sales estimates have been based on normal monthly sales plus a % increase for Christmas purchases – 25% for November and 66.7% for December. Thereafter, monthly sales revert back to normal growth levels.

2) Debtor days = 7 days

3) It is estimated that 50% of sales (\$300,000) will come via Agents and 50% (\$300,000) from Direct Sales

4) All income includes GST

Expenses:

1) Payroll costs consist of:

John Chartwell (\$72,000 per annum)

Mike Brown (\$48,000 per annum)

Julie Chartwell (10hrs per month @ \$20/hour)

Production Assistant to be employed after 3 months (\$24,000 per annum)

2) Cost of raw materials is, on average, 10% of sales value of chocolates

3) Commissions are paid at 5% of sale price for all sales via Agents (1 year: \$15,000)

4) Property and communication costs consist of:

Rent (\$12,000 per annum)

Rates (\$3,600 per annum)

Electricity/gas (\$6,000 per annum)

Telephone (\$6,000 per annum)

5) Cartage and freight is estimated at 2% of sales value of chocolates + \$500 per month for vehicle operating costs (\$18,000 per annum)

6) Loan repayments are based on a \$50,000 loan repaid over 5 years at an interest rate of 8% per annum

7) 'Other' costs consist of printing and stationery, subscriptions, meals and personal expenses, insurance, depreciation on plant and vehicle, miscellaneous (\$24,000 pa)

8) All expenses include GST

Cash-flow Projection

Provide a monthly forecast of your cash-flows for the next 12 months

Please see attached file titled Chartwell's Chocolates Projected Cashflow

Projected Profit and Loss

It is advisable to have an accountant assist you with preparing this table.

Provide a projected Profit and Loss Statement for your Business. This will often be for the end of a 6 or 12-month period.

Chartwell's Chocolates Incorporated		
Projected Profit and Loss		
12 months commencing 1March 2004		
Sales		
Classic Gift Boxes		74,000
Classic Individual Chocs		280,000
Vintage Gift Boxes		148,000
Vintage Individual Chocs		98,000
		600,000
Less Cost of goods sold		- 60,000
Net Sales		\$540,000
Expenses		
Total payroll costs	140,400	
Total commissions and fees	25,000	
Total property and communication costs	27,600	
Total cartage and freight costs	18,000	
Total marketing costs	41,000	
Total debt servicing costs	15,268	
Total other costs	24,000	
Total Expenses		\$ 291,268
Net profit before tax		\$248,732

RISKS

Risk Identification and Mitigation

Consider things such as market risks, technology risks, susceptibility to changing fashion, illness of key personnel etc

Outline the major risks to your business. What strategies will you employ to mitigate these risks?

Major risks to Chartwell's will be loss of key personnel (John Chartwell or Mike Brown), failure of specialised machinery and failure of key suppliers.

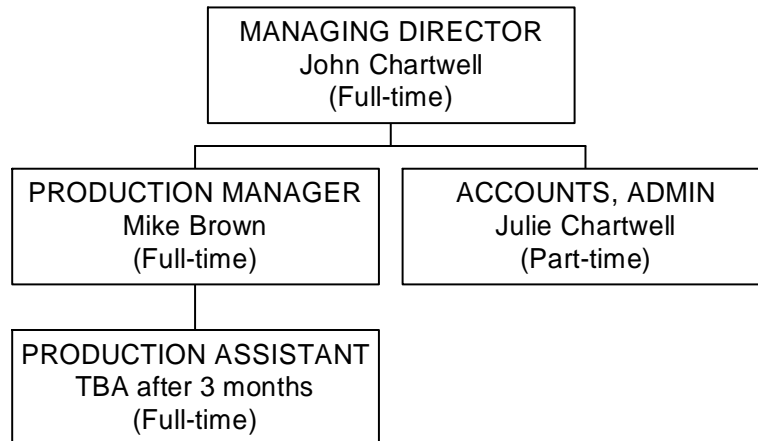
Risk	Likelihood	Impact	Mitigation
Loss of key personnel (Mike Brown or John Chartwell)	Medium	High	Document all policies and procedures so that other staff can manage processes in absence Keep Accountant and Banker involved in business Maintain relationship with contract chocolate makers Train Assistant Production Manager in all aspects of production
Failure of specialised machinery	Medium	Medium	Agree a same day repair and maintenance service contract with manufacturers of ChocMaker machinery
Collapse of key supplier	Low	Low	Maintain relationships with alternative suppliers

STRUCTURE AND MANAGEMENT

Organisational Structure

Describe the structure of the business, including the number of employees, the management team and founders. Draw an organisational chart to show this.

Chartwell's Chocolates will be managed by founder and owner John Chartwell. Initially the business will employ one full-time staff member as shown in the organisational chart below. Julie Chartwell will work part-time on the business.



Describe the key functions required by the business (eg marketing, sales, office administration etc) and who will be responsible for each. Include any outside contractors you plan to use.

- Strategic planning – It will be important for the management and growth of the business to plan strategies well in advance rather than react to day-day issues. John Chartwell will have key responsibility in this area.
- Sales, marketing and business development– John Chartwell will be responsible for managing the business' brands, managing large customer accounts and finding new customers and markets. He will utilise the services of Atkins Advertising and Marketing Agency to assist with this.
- Finance management – John and Julie Chartwell will be jointly responsible for the financial management of the company, including budget setting, tax planning and financial forecasting. They will utilise the services of Chartered Accountant Maria Green to assist with these functions.
- Product development – To maintain competitive advantage, ongoing product development will be a vital function of this business. Mike Brown will be responsible for sourcing and creating new gourmet chocolate products.
- Production, logistics, operations – Mike Brown will also be responsible for ongoing production and distribution of Chartwell Chocolates' products.
- HR, accounts, administration – Julie Chartwell will manage all non-urgent office functions on a part-time basis. Any matters requiring immediate attention will be managed by John Chartwell in her absence.

Outline how you expect the number of employees and organisational structure to change as your business grows.

It is anticipated that a Production Assistant will be employed after three months as production increases.

Key Personnel

Your Management team may include your accountant, lawyer or other professional advisers

For each member of the management team, give a summary of their background, skills and experience

Key personnel include:

John Chartwell – John has seven years experience within the confectionary industry. He spent five years as Marketing Manager for ABC Confectionary in Singapore before moving to Australia to take up the role of Head of Sales for The Fine Fudge Company, a role he has held for the past two years. During his time in the industry, John has developed a keen understanding of the confectionary market and has developed excellent relationships with suppliers and retailers. He holds a Bachelor of Commerce from South Sydney University.

Mike Brown – Mike has worked as a chef in various restaurants in Australia, England and France since receiving his professional qualifications from Melbourne College of Cuisine in 1992. For the last 18 months, Mike has been Head Chef at Sweet Treats, an award winning Dessert Restaurant in Perth. He will be responsible for developing recipes and overseeing production for Chartwell's Chocolates.

Julie Chartwell - Julie has a Bachelor of Business Studies from Barret University and has worked in various office administration roles since graduating in 1996. She currently holds the position of Office Manager for Ezi Electricals in Southbank. Julie will continue in this position whilst working part-time for Chartwell's Chocolates.

Maria Green – Maria is a Chartered Accountant with the firm Green and Gold and has been contracted to perform Chartwell Chocolates' accounting functions. Maria has extensive experience in small business accounting and taxation and is a Business Mentor under the Business in the Community scheme.

Identify any skill gaps or weaknesses in your management team and how they will be overcome

A future sales channel for Chartwells will be the Internet. As none of the Management Team has sufficient experience in managing these types of sales, the function will be contracted out to an external supplier (yet to be identified) at the time.

PROJECT PLAN

Action Plan

Consider what impact particular tasks will have on other tasks. It may be useful to present the action plan as a table or timeline

Identify the key milestones required to action the Business Plan and when each will need to be completed by.

Action	Due for completion
Secure bank funding	1 December 2003
Develop company brand and logos	10 January 2004
Move into premises	16 February 2004
Purchase fixed assets	18 February 2004
Finalise production processes and recipes	22 February 2004
Document policies and procedures	28 February 2004
Commence trading	1 March 2004