

JPAbusiness Annual Business Plan Template

Name of business: _____ Date: _____

Period of plan: _____

3-year aim: _____

PART A: Business and Resources Self-Audit – where is your business now?

Step 1: Use the [JPAbusiness Business Health Check](https://www.jpabusiness.com.au/business-health-check)

Find it at: <https://www.jpabusiness.com.au/business-health-check>

Step 2: Review your financial performance

Review your financial performance by looking through your financial accounts for the past 3 years, and calculate your Return on Invested Capital (ROIC) for each of those years.

Use the following formula:

$$\text{ROIC} = \frac{\text{Net operating profit after tax}}{\text{Invested capital}}$$

1. Considering your business' performance over the past 3 years, has the business generated your required level of return? What is that return?
2. What are your expectations around the rate of return your business needs to generate in the coming 12 months?

Notes to consider: Written another way, $\text{ROIC} = (\text{net income} - \text{dividends}) / (\text{debt} + \text{equity})$

The ROIC formula is calculated by assessing the value in the denominator, total capital, which is the sum of a company's debt and equity.

ROIC is one of the most important and informative valuation metrics to consider, albeit its usefulness can vary based on different business sectors' varying levels of capital intensiveness.

Step 3: Strengths, Weaknesses, Opportunities and Threats – what are they today?

STRENGTHS (you can influence – what you’re good at)	OPPORTUNITIES (you may be able to influence)
<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • •
WEAKNESSES (you can influence – internal factors)	THREATS (you have limited influence – external factors)
<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • •

Step 4: Customer Portfolio – for the most recent financial year just past

Summary statement on customers or business line diversity: _____

Top 5 Customers	Income last FY (\$'s)	Gross profit last FY (\$'s)	Debtor performance (Invoices outstanding)
1.			
2.			
3.			
4.			
5.			
Other			
Total			

Step 5: The top 5 issues and challenges impacting the growth, development and fortunes of the business in the next 12 months (e.g. internal and external to the business economic conditions, compliance and regulation, people capability, cash flow and working capital etc).

1.	
2.	
3.	
4.	
5.	

PART B: Competitive Market Analysis

Step 1: Profile the competitive players in your market

Smaller players			Aggressive players		
Name	Turnover (\$/m)	Market share (%)	Name	Turnover (\$/m)	Market share (%)

New entrants (1–3 years)			Big passive players		
Name	Turnover (\$/m)	Market share (%)	Name	Turnover (\$/m)	Market share (%)

Step 2: The top 5 trends on competitive factors relating directly to your products or services that may impact the business in the next 12 months (e.g. margins, prices, competitors, imports, products, technology, customer needs).

1.	
2.	
3.	
4.	
5.	

Step 3: What is your Point of Difference versus your main competitors, i.e. why are customers dealing with you ahead of another provider?

1.	
2.	
3.	
4.	
5.	

PART C: Outlook – where do you want your business to be over the next 12 months?

	Outcomes	Strategy	Actions	Targets
Customers				
Financial return				
Quality				
Risk				
Business value				

PART D: Budget to deliver the Annual Business Plan

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Operating Inflows												
Income												
Cost of goods sold												
Gross Profit												
Operating Outflow												
Monthly Surplus/Deficit (Sub-total)												
Capital												
Capital Income (Inflows)												
Capital Investments (Outflows)												
Monthly Cash Surplus/Deficit (Total)												

Notes and key assumptions: _____

Business Plan Creation and Approach Checklist

1. Have you sought active staff and stakeholder input?
2. Has there been a pressure testing process?
3. Is the plan robust, realistic and the right direction for the business?
4. Business owner sign-off
5. Have you communicated key elements of the plan to important stakeholders?

Our Business Planning eBook has outlined the multiple benefits that flow from business planning, so if you find yourself stuck on any of the questions in our Annual Business Plan Template, **please don't give up.**

Phone a friend or colleague, or seek some **professional advice** from a [business advisor](#), and take advantage of the tools at hand to help turn your business ambitions into reality.