

A GUIDE TO DEVELOPING YOUR BUSINESS PLAN

Updated August 2020

We've created this document to help artists and arts organisations who are applying for an Annual Arts Grants to develop a business plan (it's a requirement and needs to be submitted with your application).

If you already have a business plan, this might be an opportunity to refine or update it. We offer this information as a guide - we're not prescriptive about what should be included in your business plan, or its layout, recognising you will operate your organisation and deliver your arts practice in a way that works for you.

What is a business plan?

At its *simplest* level, a business plan explains the 'who' and 'what' of your business.

It's a plan for action that should address four core questions:

1. What difference would you like to make ('the difference')?
2. Why do you want to make 'the difference'?
3. What do you do to make 'the difference' happen now?
4. What will you do to make 'the difference' happen in future?

It also answers these questions:

- Who is involved in running your organisation or arts practice? For example, internal and external stakeholders (include what makes them qualified and the value they add to the organisation).
- How are your financial resources managed?
- Who is your audience? (How big is it? Where are they? What do they want and how will you give it to them? How will you connect with and engage your audience?)
- What service(s) do you or your arts organisation provide, and how do you provide it?

- What funding do you rely on? What are your other sources of revenue - what do you earn yourself? What's your plan in case something changes?

Strategic outcomes and goals

A business plan can also include you or your organisation's strategic outcomes and goals.

Your strategic outcomes or goals might reflect:

- Where you are now (your foundational elements - mission and value).
- Where you are going (describe what your arts practice or organisation will look like in the future and the direction you want it to take).
- How you will get there (artistic, audience, financial and operational ways).
- How you will know you are successful (what are your success measures and how will you track your progress?).

Risk management

A well-prepared business plan includes details of how you will manage risk.

We see good risk management as:

- **Risk analysis:** identify potential risks* (and prioritise them).
- **Evaluate and assess** each potential risk to identify:
 - consequence (what are the long-term outcomes if this happens?)
 - impact (how will this affect your arts practice or organisation in the short to medium term?)
 - probability (how likely is it that this will occur?).
- **Assign roles and responsibilities to each risk** - Who will be responsible for keeping on top of this? A risk can escalate if you don't assign someone - one person - to specifically look after it.
- Capture the **actions you will proactively take** to minimise the likelihood of these potential risks happening.
- Create a **contingency plan** in case things go wrong.

* we encourage you to include consideration of the impact of potential changes to COVID-19 alert levels on your arts practice or organisation.

- Be clear about the **level of risk you or your organisation** are willing to accept.
- Make a plan to **monitor and report** on each potential risk.

What time period should your business plan cover?

Ideally your business plan will provide a longer view, covering your plans for between two and five years to ensure it is meaningful. If you are not able to forecast that far ahead, a one-year business plan is a minimum requirement when applying for an Annual Arts Grant.

What should your business plan include?

Your business plan will need the following sections (incorporating the information outlined above):

- an executive summary (put this first but write it last so you can more easily summarise your plan)
- a statement of your artistic practice or organisation's core purpose
- a statement of your artistic practice or organisation's key aims for the period of the plan
- a high-level explanation of how your aims will be achieved
- an explanation of how you or your organisation will manage and develop resources (people, assets and systems) to deliver on the plan's aims
- a risk assessment
- a financial projection.

Some resources to help you create your business plan:

- [Download a free template from the government's business website](#)
- [Get ideas for different types of business plans from the Arts Marketing Association in the UK, from their website Culture Hive](#)
- [Download a free business plan guide from the Arts Council England website](#)