



Development Bank of Namibia SME Business Plan Guide

Plan for success

Whether you are starting an SME or seeking ways to grow an existing one, your business plan is an important tool to guide your decisions and point the way to success. It gives understanding of the most important aspects of your SME, from marketing and finance, to operations. Use this guide to develop your plan.

Start-ups

A business plan is a vital first step for new entrepreneurs, to assess the viability of a business, before investing time and money. The business plan describes how to start the business. It gives insights on steps to be taken, resources for achieving business goals, and a timeline of expected results. A 3-year cash flow projection is vital.

Growth for existing SMEs

For existing SMEs, a business plan must be updated annually as guide for day-to-day operations and growth. The plan should include clear objectives for your business, as well as requirements for growth (including new employees).

Business plans and financing

Banks require business plans to assure themselves that their finance is offered to enterprises that will be well-managed on a planned basis, and that they will be able to repay the finance. When developing a business plan, make sure that all costs are covered.

Business plan requirements

Documentation
Covering letter
Index (contents)
Executive summary (using guidelines detailed below)

1. Company information

- 1.1 Name
- 1.2 Business location
- 1.3 Description of business, range of products or services (current and future)
- 1.4 Background (business strategy, regulations, sector analysis)
- 1.5 Sources of funding (borrower, government, DBN commercial bank, donor, etc.)

2. Management plan

- 2.1 Organisational structure
 - 2.1.1 Management organogram and personnel (waged and salaried - from year 1 to 3)
 - 2.1.2 Experience and technical ability of management / applicants
 - 2.1.3 Ownership structure (shareholder agreements)
 - 2.1.4 Strategic alliances (if any)

3. Financial information

- 3.1 Historical financial statements and income tax returns for established SMES (3 years)
 - 3.1.1 Balance sheet
 - 3.1.2 Income statement
 - 3.1.3 Cash flow statement
 - 3.1.4 Projections for additional years if younger than 3 years
 - 3.1.5 Receiver of Revenue certificate of Good Standing
- 3.2 Budgeted / projected forecasts (for new and existing SMES - please submit print and electronic versions of forecasts*)
 - 3.2.1 Key assumptions
 - 3.2.2 Sales projections
 - 3.2.3 Income projections: profit/loss including expenses, salaries and provision for

repayment of finance

- 3.2.4 Break-even analysis
- 3.2.5 Pro-forma balance sheet
- 3.2.6 Cash flow projections
- 3.2.7 Financial ratios (debt-to-equity, cash flow to capex, capex per jobs created, etc.)

4. Marketing plan

- 4.1 Industry analysis
 - 4.1.1 SWOT analysis
 - 4.1.2 Potential markets and market share estimates
 - 4.1.3 Market segments
 - 4.1.4 Competition and / or substitute products
- 4.2 Marketing strategy
 - 4.2.1 Product strategy
 - 4.2.2 Pricing strategy
 - 4.2.3 Promotion and advertising strategy
 - 4.2.4 Distribution strategy
 - 4.2.5 Sales strategy (local and/or export)

5. Operations / manufacturing information

- 5.1 Business process (activity) description
- 5.2 Existing assets (land, equipment, buildings), and capacities and costing
- 5.3 Raw material supplies and costing
- 5.4 Organisation of operations and outputs
- 5.5 Technology and equipment
- 5.6 Other relevant information

6. Economic and / or development impact

- 6.1 Economic sectors and / or geographic area
- 6.2 Projected jobs (new and / or temporary jobs)

- 6.3 Empowerment impact: ownership structure, capacity building, skills transfer, breakdown of shareholding

7. Additional documentation

Please provide the following documentation in support of the business plan.

- 7.1 All additional documentation required in the DBN Application for Finance form (consult a DBN Business Analyst for guidance on documentation required)
- 7.2 Certified copies of KYC documentation required by relevant legislation, as noted in the DBN Application for Finance form and / or the DBN KYC guide
- 7.3 All environmental and social documentation required by relevant legislation, as noted in the DBN Application for Finance form (consult a DBN Business Analyst for guidance on documentation required)

** Use www.wetransfer.com to transfer large electronic files to DBN and enter the email address of the Analyst as the recipient.*

Contacts for assistance

Windhoek: tel. 061 290 8000
Ongwediva: tel. 065 230 129 / 130
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**Development
Bank of Namibia**

Expect more.

Report fraud anonymously:
Tel. (Toll Free) 0800-290 8000
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