



GREENE KING  
PUB PARTNERS

GREENE KING

Your Indispensable Guide to

# Completing Your Business Plan

START

Every partnership  
begins with you



GREENE KING  
PUB PARTNERS

# Your Indispensible Guide to Completing Your Business Plan

This short guide is to be used in conjunction with the **Business Plan – Understanding Your Pub** template. Using the building blocks in this guide will help you to formulate an effective and sustainable Business Plan for your pub. We strongly advise you to use this template to build your business plan.



*This guide will help you to fill out your Pub Business Plan document...*



Every partnership  
begins with you

# Every Aspect Covered



# What is a Business Plan?






As part of your application to run a pub with Greene King Pub Partners, you need to create a Business Plan.

## A business plan includes:

-  Who will run and manage the pub and the team.
-  An understanding of the full business opportunity and includes a Swot Analysis, Competitor Analysis, and who the customers and USPs of the business are.
-  What the pub offer is, including how that offer will be delivered and the market opportunity.

There is also a requirement under the Pubs Code Regulation 10 that this is a Sustainable Business Plan. These requirements are summarised below:





-  The Sustainable Business Plan is prepared with independent professional advice considered from legal, financial, property and rental valuations experts.
-  The Sustainable Business Plan must include financial forecasts for a minimum of five years:
  - A** Estimate of income and expenditure.
  - B** A Sensitivity Analysis.
  - C** The impact of any indexation on the Rent.
-  The Sustainable Business Plan must contain a forecast of the income and net profit for a minimum of five years that is reasonable and realistic to achieve.

# Before You Start - What You Need To Know



## Schedule 1 Information

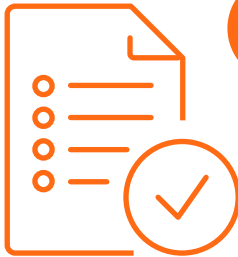
Under the Pubs Code the information we provide you about the pub you are applying for is called the Schedule 1 information. You receive this information before you complete the Business Plan and you should use this information throughout. **This information includes:**

-  Agreement type; a specimen Agreement; the Maintenance and Service Agreement.
-  A rent proposal; A Shadow Profit & Loss Report; A Rent Assessment Proposal Overview setting the reasonable assumptions made in calculating the Rent i.e. summary of trade volumes for products purchased from Greene King in the last three years and details where applicable of the last three year's worth of Service Charges.
-  An illustration of the impact of the indexation rate on the Rent during the five years of the Agreement or the first Rent Review.
-  Estimation of entry costs you will pay including deposit, valuation of fixtures and fittings, costs to prepare the Agreement, Greene King's legal fees, Training fund and Working Capital.



## Before You Start – What You Need To Know

### Schedule 1 Information Continued



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#### A full description of the pub including:

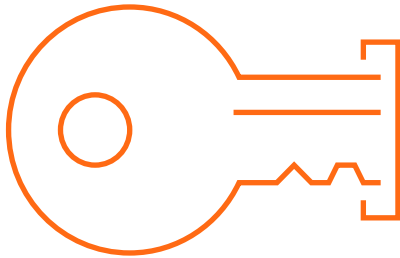
- Full details of the Premises Licence and Licence conditions.
- Details of any enforcement action taken during the previous two years.
- Details of any foreseeable material changes to the commercial conditions in the pub's local areas, where known, including any planned capital developments at Greene King pubs within the vicinity, where planning has been granted.
- A Schedule of Condition which will describe the current state of the property, details of any initial works that will be carried out prior to you entering into an Agreement, and who will be responsible for carrying out the works.
- A Safe Start pack, which will include a full set of current statutory test certificates.
- An Energy Performance Certificate.
- Gaming machines information.
- Our Guide to Insurance providing details of Buildings Insurance.
- Demographic information relating to the pub.
- Additional Information and Guides.
- If you are entering in a Lease Assignment we will also include details of an investment agreement, if one exists.

## Before You Start – What You Need To Know



### Considerations

The costs of running a pub differ from pub to pub, however there are key costs that you will need to know and consider when you enter the pub and the ongoing costs you will encounter and need to pay in your day to day operations. Go through each of these costs to calculate and establish what you will need before you enter the pub and as ongoing costs.



### Entry costs

**Costs you will need to pay up front before you start trading your pub.**

- A deposit.
- Legal Fees.
- Stock plus fixtures and fittings that you'll need to pay the outgoing licensee.
- Business advice and professional fees (accountant, solicitor, surveyor, stock-taker, broker etc).
- Miscellaneous costs (such as computer, internet access etc).
- Moving costs.
- Working capital.
- Marketing and printing costs.
- Opening food stock.
- Stamp Duty.
- Annual Premises Licence fee.
- PPI and PRS Licence fees.
- Training.

# Before You Start – What You Need To Know



## Considerations Continued



### Ongoing costs

Costs that you will need to pay on an ongoing basis.

- Rent.
- Annual Premises Licence fees and any licensing variation fees.
- Maintenance and Service Plan (for Tenancy Agreements) or Repairs Fund (for Lease Agreements).
- Greene King's building insurance.
- Repairs carried out by us on your behalf
- Items you buy from us (beer, promotions, training, paper copies of invoices etc).
- Administration costs (Deed of Variation, duplicate Agreement, failed Direct Debits etc).
- Interest charged on overdrawn Trade Account balances.
- You'll also need to factor in day to day running costs such as team salaries and utilities. You will also need to ensure you have appropriate Employers Liability Insurance and Public Liability Insurance.




# Completing your Business Plan



The first part of the Business Plan is about you, your management structure and your team who will be running the pub with you. Think of this as your CV.



*By completing this, you can see how strong you and your team will be and be able to identify any missing skills or required additional training.*

- 1  Applicant details – we need your full name, contact number and email, the date the Business Plan is being completed, the Pub Name and Address.
- 2  Personal Profile – this is your personal CV – tell us about your experience, knowledge, skills and qualifications.
- 3  Who will be running the pub on a day to day basis – If you have a manager running the pub for you, use this as their CV detailing their experience etc.
- 4  Key People – this is the information about the people who will be helping you run the pub i.e. your team – it's a mini CV for each of them.

*Remember, include any hospitality training you have completed, professional bodies you are a member of and other venues or businesses you have managed or operated previously.*



# Understanding the Business Opportunity



## SWOT Analysis

A Swot Analysis is used worldwide in business and helps you evaluate the business in the following areas.



*Don't skimp on the detail here – the more you know, the better you will be prepared. Here we've provided you with some examples to think about but the list is not exhaustive. Use local knowledge to build a strong SWOT.*

S



**Strengths** – the pub's strengths – here's some examples: its great location, size, customers, building condition, environment, team.

W



**Weaknesses** – the pub's weaknesses – again the pub's weaknesses could be exactly the same as strengths just in reverse e.g. its poor location, size, customers, building condition, environment, team skill set.

O



**Opportunities** – what opportunities could the pub take advantage of – e.g. other pub closure, new housing development, investment in the area (roads/housing), little competition, legislation changes.

T



**Threats** – what are the potential threats to the business – examples could be the reverse of the opportunities e.g. lots of competition, competitive pub investment, factories and businesses closing, road closures/bypass, legislative restrictions.

*Knowledge is Power – the more knowledge you have about the pub, its environment and competitors the better positioned you will be to create the right offer for your pub business. This part of the Business Plan will ensure that you have fully evaluated the opportunity and are fully equipped with the relevant information to make the business work.*

*Once you've identified these elements you need to show how you will take advantage of the strengths and opportunities and how you will tackle the weaknesses and threats.*

*You can't do everything at once – you need to prioritise and plan so remember to put a timescale and plan against these e.g. immediately, first 90 days, first six months, first year etc.*



# Understanding the Business Opportunity



## Customers

This part of the plan is important as without customers, you can't open the door.

### Use this section to:



1



**Target customers** – who are your current customers and who are your target customers, they could be one and the same or you could be repositioning the business and want to target a new customer base.

2



**Appealing to your customers** – what plans do you have to appeal and target your customers – again put a realistic timescale to all the actions.

3



**Changes/developments/investments** required to attract customers – sometimes your pub will need small improvements or a major investment to attract your target customers. Outline here what you will be doing with the pub property to achieve this. If you have outline costs and timings, this helps build a more sustainable plan.

4



**Relevant market research** – you will be provided with demographic reports about the people living and working in the vicinity of your pub by Greene King. You should use these and conduct your own market research and gather local knowledge to help you really understand your customers.

*You need to know who you are catering for to create the right offer.*

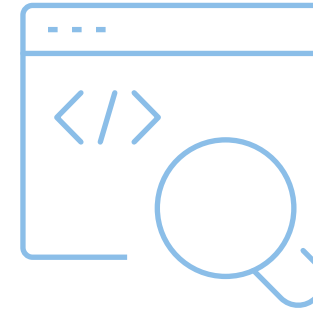


# Understanding the Business Opportunity



## USPs (Unique Selling Points) of the Business

This will show how you are really going to stand out from the crowd. Your USP could be one thing, like the best beer in the area or it could be on a much higher level e.g. best trained and knowledgeable staff with most outstanding alfresco/garden area and a menu created all from local sourced produce. Whatever they are, consistency and relevance is crucial. A USP needs to appeal to your target customers, needs to be achievable and should be something the competition isn't providing as well as your pub.



## Competitor Analysis

Understanding your competitors and their USPs is crucial to all your plans for your own pub business. Here outline your competitors USPs and what they are doing well. They could be as simple as the best beer and best kept beer garden in the area, to them being the best premium pub or the cheapest pub in the area. Understanding what they are offering customers and how you can or cannot compete with them will help you concentrate on your offer to make it stand out as unique.

# Your Pub Business



## The Offer

Now we come to what the offer at your pub will look like from food, drink, entertainment, opening hours and sessions, function rooms and accommodation.

Here you will highlight what the current offer looks like and what the new offer will be. Some pubs change throughout the day depending on the customers and here you can show how your pub will change by session and customers.



The pub offer throughout the day and week by sessions.



The drinks range and the changes required to create the offer for your customers i.e. premiumisation/cocktail list/larger soft drinks range.



The food menu by day/session and the price points.



The other income i.e. what you will do with a function room, accommodation, machines.



The entertainment you will provide and any special events you offer e.g. weddings, funerals, baby showers, business meetings etc.



The garden area and how you can increase business here i.e. zones, lighting, covered areas, heating, furniture, play equipment.



The standards and how these are the very best i.e. staff knowledge and training, cellar and beer quality, food hygiene rating and food provenance.



The improvements e.g. investment in the venue to create the right offer, provide costings and timescales if possible.

# Your Pub Business



## Delivering the Offer

In this section you will outline the activities you will do to be able to deliver the offer. **These include:**



**Training** – required for staff, management and you. These could include regular weekly briefings from you, apprenticeships for your team, minimum training days and inductions for each member of staff.



**Marketing** – how you will market the pub externally i.e. advertising, PR, internet and social media – including for example your digital marketing strategy and communications plan.



**Operating Procedures** – detail here the guidelines and practices you will introduce to ensure you can deliver your offer. These should include procedures for front and back of house, allergy procedures, cleaning and hygiene practices, cellar management, dress code and external processes.



**Recruitment** – outline how you are going to recruit the right team and most importantly retain them.

## The Market

This will utilise all the research and information you have completed already in your Business Plan. You will be able to detail the market place the pub now operates in and the prospective target customers for the pub. The demographic information will be necessary here to ensure you really understand the market for your pub.

# The Science Bit



## Professional Advisors

Include the details of the professional advisors you have used to help you complete this Business Plan.

It is important to ensure you are fully aware of the legal and financial obligations placed on you when entering into a Tied Agreement with us.

The Pubs Code states that a “sustainable business plan” is one which has been prepared in consideration of independent professional advice, such as business, legal, property and rental valuation advice. As a minimum you must take legal and financial advice from suitably qualified advisors to ensure you are making the right choice when choosing to operate one of our pubs.

We will require you to provide us with evidence from your advisors, such as a letter, confirming that you have taken appropriate advice which has been considered in the preparation of your Sustainable Business Plan.

When selecting an advisor to support you, we would encourage you to check that they hold professional indemnity insurance and that they are accredited by an appropriate professional association such as The Law Society, RICS, IFA or CIMA, which you can rely on if something goes wrong. You can also seek a professional advisor through the BII Independent Professional Advisor panel.

## Where do I get advice from?

You must take advice from suitably qualified independent professional advisors who understand the licensed trade.



### Legal

For Legal Advice, we would expect advice to be provided by a qualified Solicitor.



### Financial

For Financial Advice, we would expect your advice to be provided by an appropriately qualified financial professional.



### Property

For Property and Valuation Advice, your advice must be provided by a RICS qualified Surveyor.

## The Science Bit



### Financial Projections

We will provide you with a financial projection template which will help you achieve this. You will be required to provide a profit and loss financial forecast for a minimum of five years which includes:

- 1 Estimates of income and expenditure
- 2 A Sensitivity Analysis
- 3 The impact of any indexation on the Rent.

We strongly advise you when completing your Business Plan to use the [Financial Business Plan Template](#). This will ensure that you have provided all the information required.

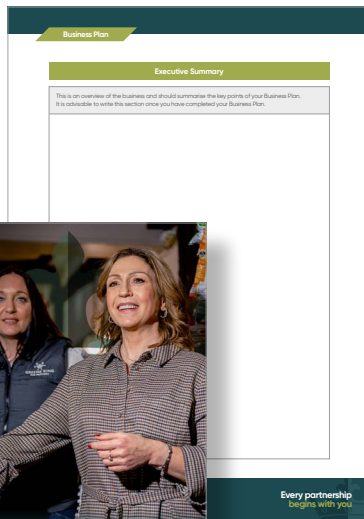


### A Sensitivity Analysis

As part of your Business Plan we need you to be able to understand how different scenarios can have an impact on the financial performance of your business. You will then be able to clearly see what would happen to your P&L if your sales are more or less than you anticipated. It will also help you draw up contingency plans and identify actions required to mitigate the effects of the unexpected events such as sales decline or an increase in your costs.



# Summing Up - the Executive Summary

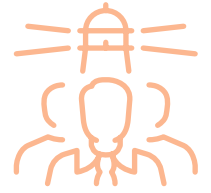


At the beginning of the Business Plan template you are required to include an Executive Summary of your plan.

You can now complete this part of the Business Plan and should summarise in order your plans for the business and how you will execute this, and the timescales and investment required.

This should highlight the priorities within the Business Plan for you to be able to deliver the offer and achieve a sustainable future for the pub.

# Additional Help



## The Code and Your Business Plan

### Principles of the Pubs Code

As a pub-owning business operating over 500 tied pubs in England and Wales, we are regulated by legislation, known as the Pubs Code (Regulations 2016).

### The Pubs Code is based on two core principles:

“fair and lawful dealing between the pub-owning business and their tenants”

**and** “that a tenant should be no worse off than a free-of-tie tenant”

## Additional Support & Advice

### THE BII

#### British Institute of Innkeeping

As part of your journey in researching for your perfect pub, the BII offer free membership for up to three months prior to taking a pub, which we will automatically set up for you as part of our application process once you have identified your preferred pub. This will enable you to access their advice, guides and helplines as you build your plan further.

If you are successful in taking a pub with Greene King, we will fund your ongoing membership with the BII in order that you can continue to take advantage of this fantastic support.

### THE LTC

#### Licensed Trade Charity

The LTC is a confidential independent charity that is on hand to offer guidance on a variety of issues and provide a 24/7 free helpline which is accessible to anyone working in the hospitality sector.

### Lifetime Apprenticeships

Apprenticeships can be a great way to offer team members independent, on the job training and the opportunity to gain a nationally recognised qualification. Lifetime Training deliver government approved work-based training programmes that provide your team members with the skills they need to succeed.

They can discuss all your requirements and will do the legwork in enabling you to access government funding that will cover 95% of the cost of an apprenticeship.

## Additional Help



### Our Guides

You can access more information from our guides:

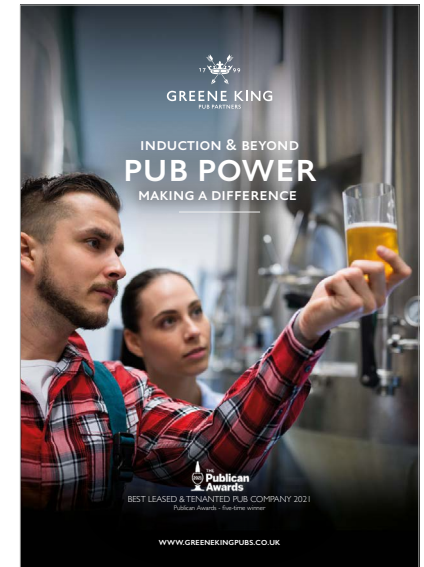
**Becoming a Pub Partner**  
step by step guide

**Running a Pub With us**  
information guide

**Maintenance & Service Guide**  
England & Wales

**Maintenance & Service Guide**  
Scotland

**Training Guide**





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Greene King Pub Partners is a trading division of Greene King Brewing and Retailing Ltd and of Greene King Retailing Ltd, both companies in the Greene King group.