


# Insurance Brokers Association of Uganda

Business Plan Formulation - 29<sup>TH</sup> November 2022



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**Hanan Associates**

Hanan Associates is an auditing and consulting firm that provides a wide range of business services to companies in a variety of industries, Not for Profit Organizations and individuals. The firm specializes in the following services:

- ❖ Tax
- ❖ Audit
- ❖ Accounting
- ❖ Business advisory and consulting

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**Gregory Zulu**

Gregory is currently a Director at Hanan Associates. Prior to joining Hanan Associates, Gregory worked with Ernst & Young where he has cumulatively gained experience in accounting, audit, tax, and consultancy services that spans over 12 years. While working at Ernst & Young, he rose through the ranks from an Assistant Auditor to a Manager in the Assurance department serving in Uganda, Rwanda, and South Sudan offices. At Hanan Associates, Gregory provides customized solutions to meet client needs in the areas of business planning, strategy design and delivery, performance management, internal audit, risk management and business advisory.

He has worked on portfolios of clients in various sectors covering financial services, telecommunication, manufacturing, not for profit, oil and gas, consumer products, government and stated owned entities, and pension, among others.

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# Objectives of session

- Why business planning is critical for running a successful insurance brokerage agency
- Key considerations of the business planning process
- Contents of an effective business plan
- Questions and answers



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## Why plan?

**"An hour of planning can save you 10 hours of doing."**

**"Failing to plan is planning to fail."**

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## Why Plan?

### Regulatory requirements

- + The Insurance Act requires licensees to not substantially depart from the most recent business plan submitted to the Authority.
- + The Insurance (Intermediaries) Regulations, 2021 requires the Board of an Insurance broker to review the annual budget and business plan.

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## Why Plan?

Planning is about managing resources and priorities in an organized way. Periodically reviewing your plan is a great way to clarify your goals and refine how you'll reach them.

- + A solid plan can help you make sound decisions when you're first starting out and as you grow.
  - Set realistic objectives
  - Allocate resources
  - Plan for the growth of your business

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## Why Plan?

- + Secure funding from banks and investors
- + Potential business partners often want to see your plan before they'll partner with your agency
- + Minimize the probability of failure
- + Idea/ strategy formulation
- + Ensure compliance

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## Key considerations of the business planning process

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## Key considerations

- + Devise the plan
- + What does success look like
- + Continuous monitoring of progress against plan
- + Types of planning
- + Prepare or outsource?

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- + Executive summary
- + Company description
- + Strategy
- + Marketing plan
- + Operational plan
- + Financial projections
- + People

## Contents of an effective business plan

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## **Executive Summary**

- + Snapshot of your business
- + General financial information - book of business, current investors
- + Summarizes key aspects of the entire plan

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## **Company description**

- + Day to day operations
- + Details keys to success - unique selling proposition
- + General business outlook
- + Values and commitments

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## Strategy

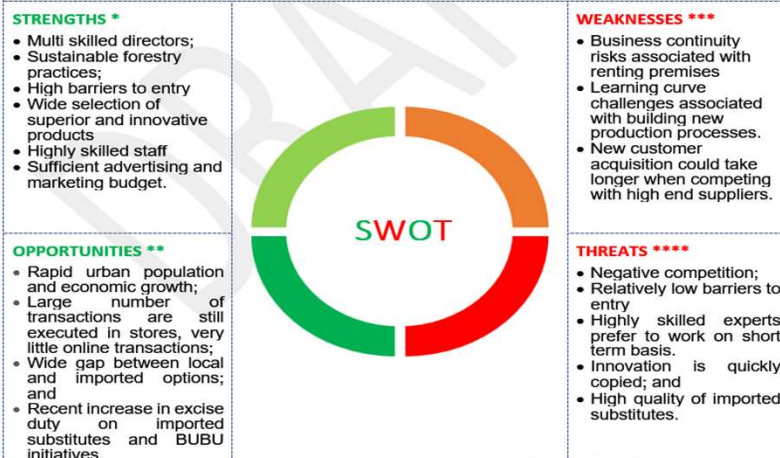
This section sets out to outline the roadmap that will provide a business with its strategic direction and priorities for the longer horizon. Generally, consists of the following three phases:

- + Strategy formulation: begins with a situational analysis - gather facts (stakeholders, customers, competitors, industry, performance, existing strategy). The purpose is to help identify the organizations Strengths, Weaknesses, Opportunities and Threats (SWOT analysis).
- + Strategy implementation: establish specific targets or goals related to putting the strategy into action, allocate resources for the strategy's execution.
- + Strategy evaluation: review the internal and external factors affecting the implementation of the strategy, measuring performance, and taking corrective steps to make the strategy more effective.

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## Strategy

Figure 1: SWOT analysis



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## Marketing plan

Summarize your strategy, including some details like whether you plan to use traditional and/or digital marketing channels.

- + List of insurance products - Include product benefits and sales forecasts
- + Market analysis – understanding of insurance market in general
- + Marketing strategy – customer attraction and retention

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## Operational plan

This section of the business plan sets out to map the overall implementation of the plan as well as assess the company's expected operational risks.

- + Operational risk assessment
- + Work plan
- + Process flows

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## Financial projections

- + Balance sheets
- + Income statements
- + Cash flow statements
- + Capital expenditure budgets
- + Profit targets

Income Statement	Balance Sheet	Cash Flow Statement
Revenue -	Cash at Bank (50.0)	Revenue -
Other Revenue -	Debtors -	Decrease in Debtors -
Operating Expenditure -	Other Current Assets -	Other Cash Receipts -
Other Expenses -	<b>Current Assets (50.0)</b>	Cash Receipts -
Net Operating Expenditure -	Fixed Assets -	Operating Expenditure -
<b>EBITDA -</b>	Other Non-Current Assets -	Increase in Creditors -
Depreciation & Amortization -	<b>Non-Current Assets -</b>	Other Cash Payments -
<b>EBIT -</b>	<b>Total Assets (50.0)</b>	Cash Payments -
Interest on Cash -	Creditors -	Interest on Cash -
Interest Expense -	Corporate Tax Payable -	Interest Paid -
Net Interest Expense -	Interest Payable -	Corporate Tax Paid -
<b>NPBT -</b>	Dividends Payable -	Other Operating Cash Flows -
Tax Expense -	Other Current Liabilities -	<b>Operating Cash Flows -</b>
<b>NPAT -</b>	<b>Current Liabilities -</b>	Capital Expenditure -
	Debt -	Other Investing Cash Flows -
	Other Non-Current Liabilities -	<b>Investing Cash Flows -</b>
	<b>Non-Current Liabilities -</b>	Debt Drawdowns -
	<b>Total Liabilities -</b>	Debt Repayments -
	<b>Net Assets (50.0)</b>	Ordinary Equity Raisings -
	Ordinary Equity (50.0)	Ordinary Equity Buybacks (50.0)
	Other Equity -	Dividends Paid -
	NPAT -	Other Financing Cash Flows -
	Dividends Declared -	<b>Financing Cash Flows (50.0)</b>
	Retained Profits -	<b>Change in Cash Held (50.0)</b>
	<b>Total Equity (50.0)</b>	

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## People

- + Introduce your executive and management teams, including a summary of their unique qualifications
- + Full staffing compliment and budget
- + Employee engagement and motivation

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