

# Build It application guide

## Awards up to £25,000

You can contact us in advance of submitting your application to get advice from our business support team.

They can help with a range of queries, such as providing guidance on preparing your business plan or cash flow projections. They cannot help with the completion of the application form itself.

The team deals with an increasing volume of enquiries in the period running up to a Build It application deadline, so please contact us in plenty of time if you would like their assistance.

Call 0131 564 0331 to make an appointment.

### What this guide covers

- **Introduction**
  1. Is Build It right for you?
  2. Further advice on applying
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  1. Build It application form
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  3. Executive summary
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- **What happens next?**
- **Any questions?**

In order to ensure you provide the correct information, please read this guidance in full before you start to prepare your application.

# Introduction

If you have been able to prove that your concept works and that it has the ability to generate income and sustain itself, we can help you take it further with a Build It Award. Build It is for you if you are looking to move from running your organisation part time to your full time career; we can help to cover your salary/living costs for a year to make it happen.

You can apply for up to **£20,000** to fund your own salary so that you can concentrate on your enterprise full time.

In exceptional circumstances, we will consider funding up to a further **£5,000** for additional essential costs, such as hiring other staff. However, you should bear in mind that the maximum amount is granted in rare instances when applicants are able to present a particularly strong case; our average award at this level is in the region of **£18,000**.

## 1- Is Build It right for you?

Please ensure you meet ALL of the Build It eligibility criteria. A list of the criteria is available on our website [here](#)).

The application form also contains an eligibility checklist which you must complete in order to proceed to the next step of your application.

## 2- Further advice on applying

Build It funding is currently very competitive and so we are only able to fund social enterprises that can demonstrate a strong track record of generating income, covering costs and achieving tangible social impact. It is important you have a strong vision, aspirations to grow and a well considered plan that details how Build It funding will you allow to achieve this growth, together with two-year cash flow projections that support your plan.

**For these reasons, we recommend you have completed around one year of trading activity in order to compete alongside other applications we receive.**

# How to apply

## 1. Build It online application form

You can access the online Build It application form [by clicking here](#).

- You can save your application form as many times as you like before submitting it. There is no need to complete it in one go.
- You will not be able to submit your application until it is fully complete.
- Applications which remain incomplete at the closing date will not be considered.
- Once you have submitted your application, you cannot make further amendments or submit updated documents.

Please note: you can save your application and go back to it later but you will be required to attach your business plan, executive summary and cash flow projections to your application form to be able to submit it.

## 2. Business Plan

Your business plan and cash flow projections are a vital part of your Build It application. They are used to assess your application and compare it against other applications we receive, so it is important you ensure they meet our requirements. Your business plan must:

1. Be submitted as either a **Word document** or a **PDF**
2. Include a **cover page**, containing the following details:
  - o Enterprise name
  - o Lead applicant details including name, address, telephone numbers (day and evening) and e-mail address
3. Not exceed 12 sides of A4 - the text of your business plan (i.e. not including your cover page) must **not be longer than 12 sides of A4. Any additional pages beyond the 12 page limit will not be taken into account.**

We appreciate that business plans come in all shapes and sizes; however, we strongly recommend you use the headings and associated guidance below to ensure you cover all the information we need to assess your application:

Section 1	Vision
Section 2	Background
Section 3	Leadership
Section 4	Mission and objectives
Section 5	Product(s) and/or Service(s)
Section 6	Operations
Section 7	Market analysis
Section 8	Social impact

### → Section 1 - Vision

Provide a concise statement of your ultimate goal for your enterprise. Try to present a clear picture of what you would like your enterprise to accomplish in an ideal world.

Your vision statement should act as the foundation for all your strategic planning and tie in with your mission and objectives (which you will expand on in Section 4).

### → Section 2 - Background

Provide an overview of the background to your enterprise, briefly addressing the following points:

- **An outline of the social problem you are tackling:** Focus on what the problem is and the need you are trying to address.
- **Brief information on your beneficiaries:** These are the people you are trying to help and who are affected by the social problem you have identified above. Be specific about who you are targeting – for example: is it a particular age group, gender or geographic community? How many people have you been able to help so far?
- **Evidence that your beneficiaries' needs are unmet:** Use your own research, reports from local agencies, government statistics, and the demand for your existing services to evidence this.
- **A brief summary of the activities you have been delivering so far:** Focus on any successes and milestones that you have achieved, both in terms of delivering social impact and developing your business. Please include how long your enterprise has been running and which legal structure have you adopted.
- **A brief summary of how a Build It award would allow you to expand on what you already do:** We support ambitious entrepreneurs that can show a clear plan for Build It funding, and use this to grow and improve. We cannot support struggling projects that are in need of financial support to maintain their existing operations. Tell us how an award from us would help your enterprise change and grow.

The other sections of the business plan will provide you with the opportunity to expand and give more detail, so this section is for overview purposes only.

### → Section 3 - Leadership

Provide details about yourself and other key people involved in your enterprise. You should include information about:

- **Your relevant skills and experience:** Explain why you are the right person to lead this enterprise. How were your particular skills and experience of benefit in getting the idea off the ground? How will they help you to move on to the next stage?
- **The skills and experience of any other key people involved in the delivery of your enterprise:** Provide information on board members, mentors or key supporters, as well as those involved in front line service delivery

- **Key partnerships and external support:** List any connections you have made with individuals and bodies outside your own enterprise that will be important to its continuing success

#### → Section 4 - Mission and Objectives

Your mission statement should be a concise summary of your overall aims. It should outline why you exist, capture the soul of the organisation, inspire change and stimulate progress.

The objectives are the practical activities that you are going to use to achieve your overall aim. For example:

##### **Mission**

- To improve the lives of the children who use the centre through:
  - improving the parenting skills of the parents using the centre
  - increasing children's self esteem
  - helping parents give each other support

##### **Objectives**

- Objective 1: to provide workshops, information and advice on parenting skills
- Objective 2: to provide opportunities for play, drama, and dance
- Objective 3: to run a drop in centre with a play area
- Objective 4: to organise outings for parents

#### → Section 5 - Products and/or Services

Provide details about the product(s) or service(s) your enterprise offers. These products/services should relate to the mission and objectives outlined in section 4.

- Be clear about which products/services you are already offering
- Identify any new or expanded products/services you would intend to offer if your Build It application is successful
- Provide details of new targets you will set for both new and existing products/services if your Build It application is successful

#### → Section 6 - Operations

The operations section tells us about the staff, premises and other resources required for your enterprise. It should also give an overview of a time plan for the main outputs and tasks during the coming year and who is responsible for making sure these get done.

- **Staff:** Outline the numbers of staff required (including any existing employees), their hours worked, job remits and salary requirements.
- **Resources:** Resources can include, but are not limited to, premises, vehicles, furniture or IT equipment. Tell us about the resources you already have that will help you deliver your products/services, as well as any additional resources you will need to find, and how these will be secured and funded.
- **Time Plan:** What is your timetable for the next 12 months? Tell us your key aims or milestones over this period and when you would expect to have achieved them. Remember these should relate to your objectives set out in **Section 4**.

**It is important section 5 (services and/or products) and section 6 (operations) relate to each other in terms of what will be provided by the enterprise and what is required to provide it. Your cash flow projections should also link to these sections in terms of both income generation and related expenditure.**

## → Section 7 - Market Analysis

Provide evidence there is a market for your products/services. You should aim to demonstrate a **paying market**, rather than just a **social need**. Be careful to back this up with evidence from your **existing track record**. We want to know about your success to date in generating income, as well as your plans for the future.

You should include the following:

- **A statistical analysis** of why you believe your products/services have a market:
  - Information about the levels of interest (from paying customers) you have managed to generate to date
  - Details of any market research demonstrating the potential to expand on what you already do
- **An overview of your customers:**
  - Customers are the people or agencies that pay for your products and services. Beneficiaries and customers are not always the same people
  - Who have your customers been to date? Do you have any existing regular customers or contracts?
  - Do you have plans to target new customers in the future?
- **Analysis of any competitors:**
  - Who else provides services to the beneficiaries/customers that you have identified?
  - How busy are they?
  - Do they offer the same or a different range of services?

In some instances there may be a lack of provision and other direct competition may not exist. However, if you are asking people to pay for your services, think about what else they are currently spending their money on. This shows a broad understanding of your competition.

- **Explain your competitive advantage:** Why will people use you, as opposed to your competitors?
- **Provide a summary of the pricing policy:** What are you charging for your products/services and how have you calculated this?
- **Give examples (if any exist) of how similar ideas have worked elsewhere:** Outline both the successes and failures of similar ideas you have learned from

## → Section 8 - Social Impact

Provide information about the social impact you are achieving through your enterprise.

- **Explain the social impact your project has demonstrated to date:**
  - How has your social enterprise made a difference to your beneficiaries?
  - How has it helped to improve quality of life for individuals affected by a particular problem or issue?
  - Has it helped to create jobs and relieve poverty?
  - Has it improved the environment?
  - We want to know the results of your work in as much detail as possible

- Include facts and figures to give evidence of what you have achieved
- Include short case studies, providing real examples of how your idea has worked in practice
- **Explain how you monitor the social impact of your enterprise.**
  - Identifying the social impact of your work is essential for communicating the value of what you do. Explain the systems and approaches you use for capturing social impact or change
  - Do you collect base line information to record changes that result from your work?
  - Have you set up a series of indicators which you monitor?
  - Do you ask people to complete questionnaires?
  - Do you keep records on the people you work with?
  - How do you track what happens to the people you work with?
- **Explain how the social impact will increase in the next 12 months**
  - How will a Build It Award help you to deliver more impact?
  - You will have already told us about new product(s)/service(s) that you plan to deliver in section 5, now tell us how the changes you intend to make to your enterprise will translate into more social benefit.
  - How you will measure the increase?
  - How many more people will benefit?

### 3- Executive Summary

Your executive summary should be submitted as either a **Word document** or a **PDF** (and must be submitted as a separate document from your business plan).

It should be **no more than 2 sides of A4** in length, and should summarise the key points from your business plan. It should not include information that isn't contained elsewhere in your application.

**You should approach your executive summary as if you are writing a brief description for a reader who will only see this part of your application**, and won't have access to the full plan, your application form, or any of the financial information.

A popular approach is to include a short paragraph on each of the 8 sections in the business plan. In particular, you should ensure the summary contains information on:

- The background of your enterprise, its core functions and why it exists
- Your social aims
- Your trading track record and how your organisation generates income
- Your highlights and successes so far
- What you need the Build It award for
- Why you should be funded

## 4- Two year cash flow projections

Your cash flow projections should show us how you see your business progressing over the **next two years** in terms of the income streams you plan to develop, and the expenses you expect to incur.

You need to download and complete our **excel cashflow template**, available [here](#). We understand many applicants have already gone through the process of compiling their own cash flow projections, and there are many different templates available. However, you **must use our template** for the purpose of this application to make sure that your submission is up to date and so that we can compare it against others. You can change the headings in the template to suit your enterprise but **other templates will not be accepted**.

You should complete the template, filling in your projected costs and income over the next two years.

You should also include **key assumptions** - i.e. notes to explain your calculations – in the space provided. This section of the document is vital in helping us understand how you have arrived at your figures and what your forecasts are based on. For example, you may expect a dramatic rise in your sales after conducting a big launch event, and include this in your income figures; however, unless you have a note in your assumptions to explain this increase to your readers, it will be seen as an unrealistic jump in sales between one month and the next.

### → Further guidance on cash flow projections

The guidance below should help you complete the template, but **if you would like further support, please contact our business support team on 0131 564 0331 to arrange a meeting**. Please be advised that the team get increasingly busy as a Build It deadline approaches, so contact them early to ensure you can get a meeting.

- Overall, your projections should show that your enterprise has the potential to develop into a financially viable and sustainable business. Successful applications are likely to show that, by the end of the two-year period, they are able to cover at least the majority of their costs through the income that they generate, with minimal (or steadily reducing) reliance on further grant funding. In particular it is important to show that any salaries which will be initially covered by Build It funding can continue to be covered once the funding runs out.
- You should show an awareness of how income and expenditure might be expected to vary over the two-year period, and how this could affect the enterprise's overall finances and operations. For instance, if you expect your enterprise to be busier at certain times of year, can you show that you would still be able to cover overheads in quieter periods? At the same time, do those busier periods mean planning for corresponding increases in expenses, such as additional staff time?
- Your cash flow should also show clear links between areas of expenditure and income. For instance, if you plan to take on additional staff, how will that affect the income that the organisation can generate? Do you have the potential to generate more income with additional staff? Or will your income remain the same but your expenditure increase with additional staff salaries?



### → Some dos and don'ts

**DO** research, research and research again! The more you know about your income and expenditure, the more accurate you can be.

**DO** make sure you fully understand all aspects of your cash flow, what each line relates to and the relationships between different sections. If you are shortlisted, you will be invited to pitch to an Award Panel (further information below under 'What Happens Next'); they will ask you detailed questions which you will be expected to answer.

**DO** check that your cash flow accurately reflects figures you have included in your Business Plan. They are not stand alone documents.

**DO** use the Assumptions section to clarify anything that may be questioned by a reader. If in doubt, err on the side of caution and provide an explanation. Never assume the reader will work it out or come to the same conclusion as you.

**DO** show links between income and expenditure.

**DON'T** be unrealistic. Sales figures rising by a significant percentage without good supporting evidence in the assumptions can be seen as a lack of planning and very unlikely.

**DON'T** rush your cash flow, and take your time to ensure you have filled it in correctly and given it your full consideration.

**DON'T BE AFRAID TO ASK!** Contact our Business Support Advisers if you would like further guidance prior to applying, but **DON'T** leave it until the last minute!

### → Common pitfalls

Many applicants make the same mistakes when creating their cash flow forecast for the Build It award. Here are some examples to avoid:

- **No opening balance**

As you need to be able to provide evidence of your trading history to be eligible for Build It funding, your Opening Balance should not be left blank or show a zero balance. Use this to show the enterprise's current balance, and your assumptions to reflect how this amount has been generated to date (i.e. through sales of products or services, or through grants and donations, or a mixture of both). If your enterprise has a negative bank balance, you should show this and use the assumptions to provide an explanation

- **Incorrect grant information distorting timescales**

Research grants or awards that you have secured, or hope to apply for – including a Build It Award from Firstport! For example, many applicants show the Build It Awards as one lump sum in Month 1 of their cash flow, or as monthly payments across the two-year period. In reality, Build It awards are paid in two equal instalments six months apart in Year 1. This can have a dramatic impact on the cash flow. If you have any questions, it's always best to call the funder direct to get clarification.

- **‘Flatlining’**

This is another common mistake, i.e. where items of income and expenditure remain static month after month. Whilst there may be some items that are unlikely to fluctuate – for instance, rent for premises may be a fixed monthly fee – other costs and income streams are likely to go up and down. We will be looking for evidence of realistic figures that show an awareness of how the business might be affected by seasonal trends i.e. acknowledging when the busier/quieter periods are likely to be in terms of income, and when expenses could vary – for example, higher heating bills in the winter.

- **Impact of Marketing**

An enterprise only invests in marketing costs to increase sales of a service or product, so if you include marketing costs in your cash flow, make sure your sales figures reflect the likely impact.

- **Using a template that doesn’t fulfil our requirements**

We understand many applicants have already gone through the process of compiling their own cash flow projections, and there are many different templates available. However, we ask that you use our template to make sure that your submission is up to date and so that we can compare it against other applications. Other templates will not be accepted.

## What happens next?

Once you have submitted your application, it will go through our initial assessment process.

**If your application is shortlisted**, we will contact you to invite you to pitch to our Build It panel. You must be available to attend in person on the specified date, and will be asked to speak about your idea for up to 10 minutes, presenting your case for why we should fund your idea. The panel will then take up to 20 minutes to ask questions about your social enterprise based on your pitch, and the documents submitted in your application (application form, business plan and cash flow projections).

You will be required to attend a 'Practice your Pitch' and 'Challenge your Cash Flow' session in advance of the panel to ensure you are fully prepared for what will be your final assessment.

After the panel, all shortlisted applicants will be notified of the decision by post.

**If your application is not shortlisted**, we will notify you by post, and send you feedback to explain why. If we feel that your idea has potential, we will encourage you to work with our business support team to address the feedback, with a view to submitting a further application to a future panel. If the panel feels that your idea is not suitable for Build It funding, we will explain why and, where possible, suggest other sources of support.

**Please note: we aim to get back to all applicants as soon as we possibly can, but if you have not had any contact from us in advance of the panel date, you should assume that your application has not been shortlisted on this occasion. You will receive written feedback.**

## Any questions?

If you have any queries at all, or would like to speak to us before submitting your application, please give us a call on 0131 564 0331. Good luck!