Business Plan

Detailed narration of how a business owner intends to operate his business activities from the starting point (conceptualisation of idea) to the final point (actualisation of the product idea). It answers series of questions on selection of raw materials, technology, human resources, capital and market of the product.
Business Plan

Business is a 3-stage event

✓ Conceive the business idea
✓ Draw up a business plan
✓ Do it – Execute the plan
Business Plan

✓ Business is a journey: idea > product
✓ How do I proceed? : the roadmap (Business Plan)
Business Plan

- Journey (into the future) the unknown
- A number of untested assumptions / guesses
- The need for validation of the idea / assumptions
- The need for a roadmap / navigator
Business Plan

✓ Business Plan is a written document
✓ Serves as the roadmap: guide and compass to business implementation.
✓ Provides step-by-step direction on the planned operations of the business.
✓ Business plan usually contains statement about the business goals, mission & vision, personnel plan, production plan, marketing plan / sales strategies, financial plan and conclusion.
✓ It is usually prepared to meet the needs of certain stakeholders: internal and external – the business owner, creditors, investors, financial institutions etc.
Business Plan

- A decision making tool:
  - Feasibility / Viability / Profitability

Business Plan are usually written, typed and presented in a book form.
Cover Page

The Cover Page will usually contain the following items:
1. The title – i.e. Business Plan for Bakery
2. Name of your company
3. Address of your company
4. Contact Details

ABC Company
Business Plan

Web Site: www.yourdomainhere.com
Email: name@yourdomainhere.com

Main Office:
123 North Somewhere Street
Anywhere, Michigan 12345 USA
Phone: 317-000-1111
Fax: 317-111-2222
Table of Contents

✓ Systematic arrangement of topics discussed
✓ Accurate paging for easy navigation

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**Executive Summary**
- Vision / Mission Statement
- Business Description
- Business Environment / Industry Overview

**Production / Operations Plan**
- Raw Materials
- Technology
- Value Proposition
- Government Policies & Regulations

**Personnel Plan**
- Management Team
- Personnel Cost

**Marketing Plan**
- Existing / Prospective Customers
- Competition
- Sales Analysis / Market Share Analysis /
- Promotional Strategies

**Financial Plan / Forecast**
- Financial Assumptions
- Working Capital
- Liquidity
- Profitability
- Asset Base

**Conclusion**
Executive Summary: A snapshot

- Vision & mission statement
- Industry overview

Elements of an Executive Summary:

1. THE PROBLEM
   Identify a specific problem. What issue are your potential customers facing? CLEAR PROBLEM STATEMENT

2. YOUR SOLUTION
   Give a short description of your solution: how your product/service will solve the problem.

3. YOUR TARGET MARKET
   - Give a specific description of who will buy your product. For example: families in a specific area.
   - Get the size of your target market and its characteristics (average age, income, etc...)

4. THE COMPETITION
   Who else sells products similar to yours? What are the alternatives available to your potential customers? What makes your product better than the products the competition sells?

5. YOUR TEAM
   List the reasons why your team is the right one for the job? What unique qualifications will make your business successful?

6. MILESTONES
   Present achieved and planned milestones and when/how you will get there. For example, you have signed a lease, created a prototype, etc...

7. FINANCIAL SUMMARY
   Tell your reader about your revenue sources, expenses, and business model.

"If opportunity doesn’t knock, build a door." Milton Berle
Production / Operations Plan

- Sourcing of raw materials
- Technology – selection of appropriate equipment
- What are the likely effects of government policies & regulations
Products & Services

- Which product / service?
- What value proposition?
Personnel Plan

- How many employees?
- What qualifications / experience?
- What salary structure?
Marketing Plan

- Know and understand your market
- Know your competitors
- Know and connect with your customers
Financial Plan / Forecast

✓ How much do I need?
✓ Where do I raise the required fund?
✓ What profit do I expect?
Summary & Conclusion

✓ The finish line
✓ What is the concluding opinion on feasibility / viability / profitability?

Feasible or not feasible
Viable or not viable
Profitable or not profitable