



# Preparing the Business Plan

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*Chapter 10*

“A journey of a thousand miles must begin with a single step.”

—Chinese Proverb

## **Putting The Pieces Together**

Congratulations for nearing the finish! Now you are ready to collate the various parts of your business plan. Remember, a business plan is a cumulative process. All the work you completed in previous sections of this manual culminates here in an actual business plan for your social enterprise.

### **Business Plan Outline:**

**COVER PAGE**

**EXECUTIVE SUMMARY**

**NARRATIVE OVERVIEW**

**VISION AND MISSION STATEMENTS**

**OBJECTIVES**

**DESCRIPTION OF THE SOCIAL ENTERPRISE**

**TARGET MARKET**

**BUSINESS ASSESSMENT**

**OPERATING ENVIRONMENT ANALYSIS**

**COMPETITIVE ANALYSIS**

**MARKETING PLAN**

**OPERATIONS PLAN/PRODUCTION PLAN**

**HUMAN RESOURCE PLAN**

**FINANCIAL PLAN**

**EXIT PLAN**


**APPENDICES**

## Preparation Basics

- ✱ **Length** - in chapter 1 we refrained from giving a specific business plan page count. In practice a business plan should be anywhere from 15 to 35 pages (not including financial statements and appendices). Length is predicated by the complexity of the business. A simple start-up enterprise, selling one or two products in just a few markets, should have a brief plan. A more complicated business with several products, serving multiple domestic markets (and possibly overseas markets) will need a much longer business plan to accurately depict its operations.
- ✱ **Language** - use clear, concise, straightforward business language and avoid jargon and rhetoric at all costs. The tone should be professional and knowledgeable with the overall goal of expressing confidence and optimism about the prospects for your social enterprise.
- ✱ **Graphics** - as the old saying goes, “a picture paints a thousand words”. When appropriate use photographs, diagrams, graphics and tables to illustrate and support arguments, conclusions and projections. Graphics also breaks up texts and gives the reader a “snap shot” of the narrative.
- ✱ **Numbers** - using numbers lends credibility, especially in businesses where success is measured quantitatively. For example, projecting performance in percentage change; referring to market size; supporting your conclusions with statistical information, etc. validates your business acumen.
- ✱ **Presentation** - select a typeface that is easy to read and no smaller than 10 points. Use bullet points to offset specific information, and to break up text. Avoid cramming too much information on a page. The layout should be “airy” as opposed to “dense” with plenty of white space on the pages.



### Preparing the Business Plan

- ▲ **Look for this icon  from past exercises completed in this manual.**
  - ▲ Go through the check list below; mark off each box as you compile this information.
  - ▲ Some B-plan sections resulting from earlier exercises will need to be edited or rewritten to improve their flow, logic or length in order to produce a comprehensive business plan.
  - ▲ A few sections require improvisation. Some information was given in the manual to prepare the section without providing an explicit exercise to do so.
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- Cover Page, includes:**  
Name of Social Enterprise; Street Address; Mailing Address; Telephone Number; Month and year the plan is issued; Time period covered by the business plan; and Name(s) of Owner(s)
  - Table of Contents**
  - Executive Summary**  
A one or two page summary of business plan highlights.
  - Narrative Overview**  
One or two pages describing the history and background of the enterprise program.

## Chapter 2: The Vision, Mission, Objectives and Business Description

**Vision Statement** — pages 54-55

**Mission Statement** — pages 55-58

Embodied in the mission statement are:  Client Statement;  Problem Statement;  Statement of Purpose;  Business Statement; and  Value Statement.

### Objectives:

Social Impact Objectives. — pages 59-63

Financial Viability Objectives. — pages 59-63

**Business Description** — pages 63-69

## Chapter 3: Target Market

Description of target customer (includes customer levels). — pages 72-76

Synthesis of customer information. — pages 76-82  
(includes: customer profile, customer purchasing habits and buying sensitivities).

Summary of customer needs and wants. — N/A

Narrative summary of conclusions drawn from customer exercises.

Market size and future trends. — pages 82-83

## Chapter 4: Strategic Framework

Business Assessment (strengths and weaknesses) — pages 88-92

Operating Environment Analysis (threats and opportunities) — pages 93-96

Summary of Industry Attractiveness (synthesis + strategic implications) — pages 97-108

**Industry Analysis** (in narrative summary form), including

Seasonality — page 109

Economic Factors — page 110

Government Regulation — page 110

Technological Change — page 110

Financial Characteristics — page 111

### Competitive Analysis

Competitor Information — pages 112-113

Market Share Distribution — pages 114-116

Competitive Strategy — pages 118

## **Chapter 5: Marketing Plan**

### **Marketing Objectives — pages 123-124**

### **Product Strategy (for each product) — pages 124-133**

Included in the product strategy is:  Market Description;  Sales Target;  Target Customer;  Description of Product Features/Benefits and Comparative Advantage.

### **Product Line Strategy — pages 133-134**

### **Distribution Strategy (for each product) — pages 135-143**

Included in the distribution strategy is:  Channel Map;  Number of Targeted Markets;  Staff/Contractors to Execute Distribution Strategy;  Method of Distribution;  Budgetary Implications;  Synergies or Added Value; and  Strategic Rationale and Implications.

### **Price Strategy (for each product) — pages 143-154**

Included in the promotion strategy is:  Basic Price Strategy and Beyond Basic Price Strategy;  Selling Price for Each Product/Service and Type Of Customer; and  Strategic Rationale.

### **Promotion Strategy (for each product) — pages 154-164**

Included in the promotion strategy is:  Promotional Message;  Promotional Vehicles And Tactics Used; And  Strategic Rationale.

### **Sales Plan — pages 165-169**

Included in the promotion strategy is:  Summarized Sales Structure;  Summarized Sales Strategy;  Monthly And Annual Targets Per Product.

## **Chapter 6: Operations Plan**

### **Operations Plan**

#### **Operating Objectives — page 185**

#### **Process Strategy (productivity and capacity) — pages 186-187**

**Flow Diagram for operations (and production) stages (and steps) — pages 173-175**

#### **Quality Control Strategy — pages 188-189**

#### **Market Response/Product Development (for each product) — pages 189-191**

**Research and Development Plan — pages 192-193**

#### **Information Sharing/Tracking (MIS) — pages 194-198**

#### **Inventory Management System — pages 203-205**

#### **Production Schedule — pages 210-212**

## Chapter 7: Human Resource Plan

### Human resource plan:

- Enterprise Staff (HR Chart) — **pages 225-228**
- Background and qualifications of existing staff — **N/A**  
A brief description of skills, qualifications and related experience for key staff positions.
- Recruitment Plans (staff and target population) — **pages 229-231**
- Organizational Chart — **pages 231-232**
- Incentive Programs — **pages 235-236**
- Capacity-Building Plan for enterprise and partner staff — **pages 338-241**
  - Training — **pages 241-243**
  - External Technical Assistance Plans — **pages 243-245**
- Capacity-Building Plan for Target population — **pages 245-247**

## Chapter 8: Financial Plan

- Financial Planning Objectives — **pages 251-254**
- Financial Targets — **pages 255-258**
- Evaluation and Audit Plan — **pages 258-259**
- Revenue use information and trend projections — **pages 259-263**
- Start-up Budget — **pages 272-274**
- Operating Budget (+ assumptions) — **pages 275-277**
- Projected Profit and Loss Statement (+ assumptions) — **pages 278-282**
- Projected Balance Sheet (+ assumptions) — **pages 282-285**
- Projected Cash Flow Statement (+ assumptions) — **pages 286-291**

## Chapter 9: Exit Plan

- Exit Plan — **pages 302-305**

## Appendices

Include only those documents that strengthen the case your business plan makes.

- Job Descriptions (for key positions) — **pages 233-234**
- Past Financial Statements — **N/A**
- Promotional Material — **N/A**
- Maps of the Geographical Area — **N/A**
- Other — **N/A**

### **Concluding Word:**

In preparing this business plan, you have put in a great deal of time and effort. At this point you should have a solid prospectus of your social enterprise to give to donors, investors and stakeholders. More importantly, however, you have created a critical management tool to guide you in this venture. Once your enterprise has opened its doors, you will undoubtedly be consumed with the numerous challenges and joys of social entrepreneurship. At times it may be difficult to stay on course, especially when the “going gets rough”. Therefore, whether during periods of calm or storm, rely on your business plan as a road map to chart your course to viability. Set your goals and live by them, but also remember that your business plan is a living document, and should be referred to regularly, and revised to reflect changes that occur in your business as well as in the market.

### ***Good Planning and Good Execution!***

“So be sure when you step,  
to step with care and great tact

and remember that Life’s  
a Great Balancing Act.

And will you succeed?  
Yes! You will indeed!

(98 and 3/4 percent guaranteed)”.

-Dr. Suess