

Writing the Business Plan



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A well-written business plan is more than just a document it is the strategic blueprint for launching, managing, and scaling your venture. It helps secure funding, clarify goals, and map out your path to success.

This presentation will break down the key elements of a professional business plan, ensuring you cover every critical area potential investors and stakeholders will evaluate.

Essential Elements of Your Business Plan



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The First Impression: Introductory Page & Executive Summary

Introductory page:

This is the title or cover page that provides a brief summary of the business plan's contents. The introductory page should detail about the name and address of the company and the entrepreneur(s), telephone number, e-mail address, and Web site address if available. It should also describe the nature of the business in brief. The amount of financing needed and a statement of the report should also be provided in this section. This is for security purposes and is important for the entrepreneur. This title page reflects the basic concept that the entrepreneur is attempting to develop. Investors consider it important because they can determine the amount of investment needed without having to read through the entire plan.

Executive Summary:

The executive summary lays out all the vital information about your business within a relatively short space; typically, two-three pages or less. It is a high-level look at everything and summarizes the other sections of your plan. It should stimulate the interest of the potential investor and other stakeholders. It must be clear so that people will read further. This is a very important section of the business plan and should not be taken lightly by the entrepreneur since the investor uses the summary to determine if the entire business plan is worth reading. Thus, it should highlight in a concise and convincing manner the key points in the business plan.

Defining Your Venture

Industry Analysis:

The entrepreneur should analyse the environmental and industrial environment to be updated about the current status and future trends and changes in the market at both domestic and international level that may impact the working of the business. Any climate change, current government policies, changes in policies, economic trends to understand the purchasing power of target market, cultural and technological changes etc. are analysed and their impact on the products or services may be understood

Business Description:

In this section, the description of the venture is to be detailed by the entrepreneur. It should begin with describing mission and vision of the firm. It should give clear idea about the scope and size of the firm to the investors. The new venture should be thoroughly described, along with its proposed potential operations. Functional specifications and descriptions should be provided. Drawings and photographs may be included. The potential advantages of the new venture possessing over the competitors should be discussed at length. Patents, copyrights, and trademarks, as well as specialised technologies should also be included in this section. If the product is very technical, it will be important to make sure that its description is clear and easy to understand. The location of business is very important for its success, it should also be included in this section.

The Operational Engine: Production and Operations Plans

Production Plan:

A production plan is necessary for the manufacturing business. Entrepreneur needs to describe the physical layout of his production plant, the machinery and equipment needed to perform the manufacturing operations; raw materials and suppliers' names, addresses, and terms; costs of manufacturing; and any future capital equipment requirements. Discussions of these elements are necessary for the investors in order to ascertain the financial needs of the firm. If some or all manufacturing activities are to be sub-contracted then the name and addresses of the sub-contractor(s), reason for selection and the costs, terms of contract should be disclosed in this section.

Operations Plan:

This section begins with describing what needs to be done to get the business underway. Every type of business, whether manufacturing- non manufacturing should include operations plan. It describes the production of goods and services and the flow of goods and services from producers to customers. It should explain the chronological steps in completing a business transaction. In addition, this would be a convenient place for the entrepreneur to discuss the role of technology in the business transaction process. It must state the strategies to acquire raw materials.

Defining Your Venture and building the Team

Marketing Plan:

The general marketing activities and approach that the company would follow should be outlined in this section. It describes how the product(s) or service(s) will be distributed, priced, and promoted. Marketing strategy which is developed by conducting market research should be discussed here. Market defensive strategy should be discussed here. Potential investors related to the marketing plan as critical to the success of the new venture should be highlighted. Thus, the entrepreneur should make every effort to prepare as comprehensive and detailed plan so that investors can be clear as to what are the goals of the venture and what are the strategies to be implemented for achievement of the goals effectively.

Human Resource Plan:

This part takes care of the human resource requirement for the proposed business to be started. This covers both human resource planning at the worker's level as well as at the executive level. The number of employees required to run the business is worked out. The detailed HR policy is prepared. What will be the compensation that will be given to employees at different levels is also decided so that the entrepreneur is clear about the HR outlay so that it can be made a part of the business budget. Initially the human resources are kept at bare minimum and as the business progresses more, human resources are added in the team. What will be the job description and job specifications for each position to be filled up is also worked out. The detailed process of recruitment and selection is worked out. What will be the method of performance appraisal, etc. are all worked out as part of human resource plan.

Reaching the Customer: The Marketing Plan



Analyzing the Environment

Organizational Plan:

It describes the form of ownership of the firm whether it is proprietorship, partnership, or corporation. If the venture is corporation it should give details about the shares of stock authorized and share options, as well as the names, addresses, and resumes of the directors and officers of the corporation. If it is a partnership firm, it should describe the partnership deed and the terms of the partnership. It is also helpful to provide an organization chart indicating the line of authority and the responsibilities of the members of the organization. This information provides the potential investor with a clear understanding of who controls the organization and how will other members be interacting in the performance of the managerial functions.

Assessment of Risk:

Every organization faces some risks and threats and the investors may appreciate that entrepreneur have carefully analyzed and disclosed possible risks and threats that the venture may face. The investors may also find key strategies to overcome them. It is important that the entrepreneur makes an assessment of risk. Entrepreneur should explain the possible risks, the situation if those risks becomes reality, and the strategy that will be employed to prevent, minimize, or respond to the risks if they occur. Major risks can be from competitors move, weaknesses in the marketing, production, or management team and the technological changes. All these possible risks should be discussed in details with the key strategies to overcome them.

Completing Your Business Plan

Financial Plan:

It is the most looked up section of the business plan. Most of the financial information and projected statements are disclosed in this section. It determines the potential investment commitment needed for the new venture and indicates whether the business plan is economically feasible. The entrepreneur, in this section, should carefully project the anticipated sales, possible expenses and the cash flow projections of the first three years. It should carefully state the financing needs of the venture for the first three years. The first year's projection should give details on monthly basis. The last financial item needed in this section of the business plan is the projected balance sheet. This shows the financial condition of the business at a specific time. It summarizes the assets of a business, its liabilities, the investment of the entrepreneur and any partners, and retained earnings.

Appendix:

The appendix of the business plan generally contains any backup material that is not necessary in the text of the document. Reference to any of the documents in the appendix should be made in the plan itself. Letters from customers, distributors, or subcontractors, copies of documents pertaining to incorporation, various permits and grants, documents of IPRs, graphical layouts of production process, etc. are the examples of information that should be included in the appendix.



Thank you
for listening

