COURSE 10

BUSINESS PLAN

Introduction

In this course you will learn about the importance of planning and to learn how to write a business plans.
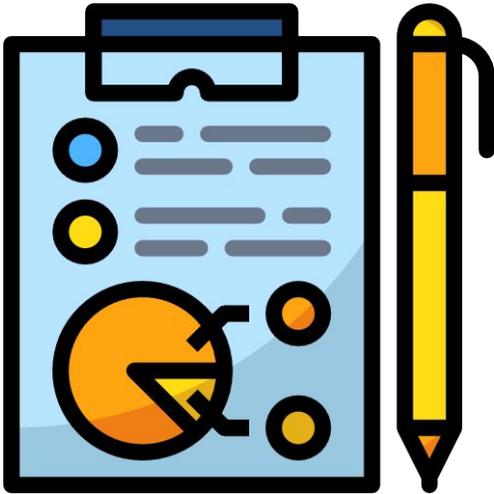
Learning objectives

Upon completion of this course you will be able to:

1. Keep you on track towards your business goals

2. Source for funding

3. Work towards establishment or improvement of your business.

Lesson 1: Business plan

The business plan is a written document that describes the enterprise, its objectives and the steps necessary to achieve them. It is a road map of the future direction of the business. It outlines how the business will be operated and where the business is heading. It includes strategies aimed at reaching the business' goals, as well as guidelines for how to do it.

Business plans also specify what is required to meet the goals and a timeline for when those goals should be met.

Why a business needs a business plan?

➢ **To avoid big mistakes:** The last thing you want to do is work on your start-up for a year, only to realize you were doomed to fail from the start. Many founders learn the hard way that they didn't set aside enough capital to reach their goals, took on partners with the wrong skills and resources, or don't have a viable way to make money. Developing and sharing a business plan can help ensure that you're on the right path.

➤ **To make sure everyone's on the same page:** Chances are, you are not building a company by yourself. Ideally, you'll have partners, so you can launch faster, smarter, and with less need to pay employees or suppliers. Even if you don't have partners, you'll have family, friends, and advisers involved. A business plan helps get everyone involved in your start-up heading in the same direction.

➢ **To develop a game plan:** At a startup, execution is everything. That means you have to set priorities, establish goals, and measure performance. You also need to identify the key questions to answer, like "What features do customers really want? "Will customers buy our product and how much will they pay?" and "How can we attract customers in a way that's cost-effective and scalable?" These are all things you'll address during the business planning process.

➢ **To counter balance your emotions:** At times during your start-up experience, you'll be manic—so passionate about your ideas you lose sight of reality. At other times, you'll be overwhelmed by doubt, fear, or exhaustion. When your emotions get the best of you, having a business plan lets you step back, and take an objective look at what you are doing and why, what you know for a fact and what you are trying to figure out.

➢ **To raise capital:** If you raise or borrow money even from friends and family you'll need to communicate your vision in a clear and compelling way. A good business plan will help you do just that. A study was made and found that start-ups with a business plan raised twice as much capital as those without a business plan within the first 12.

Studies show that businesses that develop and use plans increase their chances of survival.

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VISUAL BUSINESS PLAN CANVAS

BUSINESS NAME:				GOALS **(4)**

YOUR STORY/Executive Summary (Summary of your problem and solution) **(1)**

SITUATIONAL ANALYSIS (SWOT Analysis) (7)

INTERNAL (Strength & Weaknesses)	EXTERNAL (Opportunities & Threats)	COMPETITION (Compare your business/idea to your competitor)

VISION (2)

MISSION (3)

MARKETING TACTICS
- How will u promote your products/services **(8)**

PRODUCTS/SERVICES **(5)**

FOR WHOM **(6)**

KEY PARTNERS
- Who will you be working with? Indirectly and directly **(9)**

OFFERING	FEATURES	BENEFITS	MARKET	CUSTOMERS
• What are your products	• What is that unique fact about your product/service	• What is the added advantage a customer gets for choosing your products/services	• Where is business located?	• Who is your target market

CHANNELS
- How will your products/services be distributed? **(10)**

FINANCIALS
- Business budget **(11)**