BUSINESS PLAN: Implementation rules

The Business Plan will be carried out throughout the course, as indicated in the schedule of the  
course. The final document should be in agreement with the following:

- 20 to 25 pages written with a word processor, with 12-point font, 1.5 line spacing,  
margins of 2.5 on each side and proof corrected.

- In addition to the previous content, the document must contain:  
1. Title Page  
2. Contents  
3. References (located at the end of the document and must include references to  
both physical documents-books, articles, etc, as documents on-line web--pages).

- Presentation (supported by PowerPoint) of 7 minutes duration. In the presentation all group members should be involved. Questions from both your classmates and the professor will follow.

Delivery of the complete work and presentations will take place during the last week of the  
course. You will be informed beforehand.

NOTE: All the documents will be submitted to the Turnitin anti-plagiarism system. A ratio of  
20% and above as a result from Turnitin will obtain a zero in this part of the course.

BUSINESS PLAN GUIDE

1. Invent a company.

Describe the company’s field of activity (product or service).

2. Analyze the sector in which the company belongs.

Analyze the generic environment, highlighting the strategic factors of the chosen activity.

Analyze the specific environment of the chosen activity, following the scheme of the "Five forces of Porter."

 3. Define the company

Choose the most appropriate legal form for the company.

Indicate the company’s target.

Indicate which will be the company’s corporate and competitive strategy.

 4. Production system.

Choose a production system:

1. Describe the production process.
2. Choose the appropriate production system to carry out the activity, justifying your choice based on their characteristics and competitive advantages offered.

Cost analysis of the production system (To develop this point should invent / assume the necessary data on revenues and predictable costs for the duration of the project which should be 5 years):

1. Costs associated with the activity: fixed and variable costs.
2. Calculate the break‐even point of the activity.
3. Calculate the operating profit (EBIT) and operating leverage for a volume of production expected for the duration of the project (5 years). Conduct an analysis of the financial risk incurred.

5. Marketing Plan.

Strategic Marketing:

1. Define the criteria and segmentation strategy for the market,
2. Define the company’s positioning strategy

Marketing  Mix:

a. Product Strategy (Definition and attributes, product line, life cycle)

b. Distribution Strategy (Define the distribution strategy)

c. Pricing (Set the price that’ll be used to calculate the break-event point).

d. Communication Strategy (Define the most suitable method: advertising, promotions, etc).

6. Financing and Investment (For the calculations of this section you must take into account the data captured in previous sections production and marketing).

Indicate the sources of funding to be used. Define the liabilities by establishing the difference between equity and external funds.

Indicate the investment plan with the calculation of amortizations. Define the company’s composition of assets the year of its incorporation.

Present the company’s Balance sheet (for the duration of the project, 5 years).

Present the company’s Income Statement (for the duration of the project, 5 years, assuming a tax rate of 30%).

Calculate the NPV of the activity for a period of 5 years.  Cash Flows will be invented; however, you must be consistent with the data captured in previous sections and consider a discount rate of 8%.

Calculate the economic and financial profitability as well as the financial leverage of the company (for the duration of the project, 5 years).

7. Organizational Structure.

Create an of Organization and Human Resources plan. Include the organization chart for the first year of the company’s activity and forecast the HR needs for the following years, indicating status and expected salaries.