

# Project (Entrepreneurship – NED Spring 2023)

## Full Business Plan for New Ventures

**“If you don’t have a business plan it’s like you are going to an unknown destination without a map.”**

~ Jennifer Lee, author of the Right Brain Business Plan

# Write here.....

1. Name of all four group members along with section A/B
2. Students must mention their areas of business plan.....
3. Name of company or name of project



Which one you think is the reason of writing a business plan  
part of project

## Benefits/Reasons for Writing a Business Plan

- Initial planning document for a new business.
- Serves as a tool to communicate the idea of the new venture to potential investors, bankers, key employees.
- Serves as a record to monitor and compare results.
- To obtain bank financing.
- To obtain investment funds.
- To establish strategic alliances.
- To obtain initial contracts.
- To attract key employees.
- To motivate and focus your management team

# Outline of the Business Plan (Cover all these aspects of your project)

## **First "Cover Page" then "Table of Contents"**

- **Executive Summary** (if executive summary is convincing only then ask for full business plan)
  - Short overview of the entire business plan
- **Company Description**
  - Company history
  - Mission statement
  - Products and services
  - Current status
  - Legal status and ownership
  - Key partnerships (if any)
- **Industry Analysis**
  - Industry size, growth rate, and sales projections
  - Industry structure
  - Nature of participants
  - Key success factors
  - Industry trends
  - Long term prospects
- **Market Analysis**
  - Market segmentation and target market selection
  - Buyer behavior
  - Competitor analysis
- **Marketing Plan**
- **Management Team and Company Structure**
  - Management team
  - Board of Directors
  - Board of Advisers
  - Company Structure
- **Operations Plan**
  - General approach to operations
  - Business location
  - Facilities and equipment
- **Product (or Service) Design and Development Plan**
  - Development status and tasks
  - Challenges and risks
  - Intellectual property
- **Financial Projections**
  - Sources and uses of funds statements
  - Assumptions sheet
  - Pro Forma Income statements
  - Pro Forma Balance Sheets



## The 10 most important questions a business plan should answer (part of project)

1. Is the business just an idea / opportunity with real potential.
2. Is the product / service viable (add significant value to customer) (feasibility analysis completed ? ) (Results ? )
3. Business entering into exciting / growing industry (has the firm found any attractive position)
4. Business has well defined target market ?
5. Does the business has points of differentiation ?
6. Does the business has sound marketing plan ?
7. Is the management team experience / skilled to launch a new firm ?
8. Is the business's operations' plan appropriate and sound ?
9. Assumptions (financial on realistic grounds ) ?
10. Financial projections completed correctly (is bright future of the firm ) ?

All the slides from slide no. 5 will help to better understand different aspects of business plan (mentioned in slide no.4)

Yes you can include few / many concepts from these slides (from slides no. 5 onwards ) to give more professional look to your business plan.....**BUT** minimum requirement of this project is to cover all topics that are mentioned on slide no.4



# Executive Summary

- Brief overview of plan
- Highlight key elements
- Less than 2 pages
- Tailor to reader
- Key financial details
- Make a request

Tip

Do this part  
last!

# BUSINESS PLAN EXECUTIVE SUMMARY

Enter your sub headline here



## Target Market

*This is a sample text that you can edit. You can change font.*



## The Competition

*This is a sample text that you can edit. You can change font.*



## Company Team

*This is a sample text that you can edit. You can change font.*



## Mission

*This is a sample text that you can edit. You can change font.*



## Milestones

*This is a sample text that you can edit. You can change font.*



## Company Vision

*This is a sample text that you can edit. You can change font.*



## BUSINESS PLAN EXECUTIVE SUMMARY



## Financial Summary

*This is a sample text that you can edit. You can change font.*



# What to write in company Description Section ?

## 1. Company history

1. From where the idea for the company came.
2. Driving force behind its inception.
3. If it is a startup then must mention.

## 2. Mission statement

1. Why a company exists
2. What it aspires (dream) to become
3. Defines the path (financial / moral)

## 3. Products and services

1. How your products / services are unique
2. How to position (relative to its competitors) this in the market

## 4. Current status (explain through milestones)

1. Development stage (where your company is at this time ....)
2. Important milestones
  1. Registered your company's name
  2. Completed a feasibility analysis
  3. Written a business plan
  4. Established a legal entity

## 5. Legal status and ownership

1. Current form of business ownership (partnership / private limited)

## 6. Key partnerships (if any)

1. Partnership with other companies to make your company work in competitive world.

# Industry Analysis

(before a business selects its target market, it should have a good grasp in its industry)

## 1. Industry size, growth rate, and sales projections

1. Promising areas of this industry
2. Points of vulnerability

## 2. Industry structure

1. How concentrated / fragmented
2. Fragmented industries are more receptive to new entrants than industries that are dominated by a handful of a large firms.

## 3. Nature of participants (companies)

1. Are the industry participants innovative or conservative

## 4. Key success factors

1. 6-10 key factors (must be competent to compete)
2. Then differentiation.

## 5. Industry trends

1. Economic trends / social trends / technological trends / political & regulatory changes

## 6. Long term prospects

1. What are the trends
2. What you belief (as an entrepreneur)

# Market Analysis

## 1. Market segmentation and target market selection

### 1. Dividing the market into distinct segments

1. Geographic (city / country)
2. Demographic (age / gender / income)
3. Psychographic (personality / lifestyle / values)

## 2. Buyer behavior

## 3. Competitor analysis

# Marketing Plan

- Overall marketing strategy
  - How it differentiates
  - Guidance for how the company should reach its target markets via (4PCs)
- Product, price, promotions, and distribution (sync with differentiation)

# Management Team and Company Structure

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(investors first executive summary and then go directly to this section)

- Management team
  - Brief profile of each member
    - Position (title)
    - Duties / responsibilities
    - Previous industry / related experience
    - Previous successes
    - Educational background
- Board of Directors (Legal responsibilities)
- Board of Advisers (No legal responsibilities)
- Company Structure
  - Organizational chart (graphical representation of authority / responsibility)

# Operations Plan (3-4 pages)

(how the business will be run)  
(what could be break / make issues)

- General approach to operations
- Business location
- Facilities and equipment



# Operations Plan (3-4 pages)

(how the business will be run)  
(what could be break / make issues)

## **Back Stage** (Behind the Scenes Activities )

- Staff selection
- Operations manual
- Relationship with suppliers
- Relationships with govt.
- Development of marketing materials
- Employee orientation and training
- Emergency plans

## **Front Stage** (What the Members See)

- Member tours
- Operating hours
- Staff assistance
- Fitness classes and programs
- Fitness machines
- Workshops
- Monthly newsletter

# Product (or Service) Design and Development Plan

- Development status and tasks
  - If developing new products / services then must mention
  - What are your development efforts
  - Details of logical path of that new product development
  - timelines
- Challenges and risks
- Intellectual property

# Financial Projections

- Sources and uses of funds statements
  - How much money a firm needs
  - Where the money will come from
  - What the money will be used for
- Assumptions sheet
  - Pakistan population is going to be increased by 3% annually
  - Sales projections are based on this population growth
- Pro Forma Income statements (future not past – 3 to 5 years)
- Pro Forma Balance Sheets (future not past – 3 to five years)
- Pro Forma Cash Flows (future not past – 3 to five years)
- Ratio Analysis
  - Return on assets
  - Return on sales

# **Common business planning mistakes while making a business plan**

## **1. Overall mistakes**

- a) Entrepreneurs are unable to clearly articulate their vision in the plan.
- b) They are failed to provide sufficient details regarding the implementations of their strategy.
- c) They ineffectively present the goals and objectives which are most important to the business and success.
- d) They do not convincingly present the basis for their strategy.
- e) They do not improve their plan based on the feedback from investors.

## **2. Executive summary.**

- 1. They do not precise about their needs and capabilities.
- 2. They waste words with fillers and superfluous information.

## **3. Management.**

- a) They forget to include their previous successes and or failures.
- b) They dismiss the importance investors place on an experienced management team.

## **4. Marketing.**

- a) They rely heavily on secondary market research rather than soliciting the opinions of their potential customers.
- b) They claim the percent of the market their company will own without research support.

## **5. Financials.**

- a) They overlook and in turn underestimate their cash flow requirement.
- b) They inflate or underestimate their margins in order to arrive at their ideal profitability.

**I. Executive Summary**

- No more than three pages. This is the most crucial part of your plan because you must capture the reader's interest.
- What, how, why, where, and so on must be summarized.
- Complete this part after you have a finished business plan.

**II. Business Description Segment**

- The name of your business.
- A background of the industry with history of your company (if any) should be covered here.
- The potential of the new venture should be described clearly.
- Any uniqueness or distinctive features of this venture should be described clearly.

**III. Marketing Segment**

- Convince investors that sales projections and competition can be met.
- Use and disclose market studies.
- Identify target market, market position, and market share.
- Evaluate all competition and specifically cover why and how you will be better than your competitors.
- Identify all market sources and assistance used for this segment.
- Demonstrate pricing strategy. Your price must penetrate and maintain a market share to produce profits; thus, the lowest price is not necessarily the best price.
- Identify your advertising plans with cost estimates to validate proposed strategy.

Source: Donald F. Kuratko, *The Entrepreneurial Planning Guide* (Bloomington: Kelley School of Business, Indiana University, 2013).

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#### IV. Operations Segment

- Describe the advantages of your location (zoning, tax laws, wage rates). List the production needs in terms of facilities (plant, storage, office space) and equipment (machinery, furnishings, supplies).
- Describe the specific operations of the venture.
- Indicate proximity to your suppliers.
- Mention the need and use of personnel in the operation.
- Provide estimates of operation costs—but be careful: Entrepreneurs underestimate their costs.

#### V. Management Segment

- Supply résumés of all key people in the management of your venture.
- Carefully describe the legal structure of your venture (sole proprietorship, partnership, or corporation).
- Cover the added assistance (if any) of advisors, consultants, and directors.
- Give information on how and how much everyone is to be compensated.

#### VI. Financial Segment

- Give actual estimated statements.
- Describe the needed sources for your funds and the uses you intend for the money.
- Develop and present a budget.
- Create stages of financing for purposes of allowing evaluation by investors at various points.



**VII. Critical-Risks Segment**

- Discuss potential risks before investors point them out—for example:
- Price cutting by competitors
- Any potentially unfavorable industry-wide trends
- Design or manufacturing costs in excess of estimates
- Sales projections not achieved
- Product development schedule not met
- Difficulties or long lead times encountered in the procurement of parts or raw materials
- Greater than expected innovation and development costs to stay competitive
- Provide some alternative courses of action.

**VIII. Harvest Strategy Segment**

- Outline a plan for a liquidity event—IPO or sale.
- Describe the plan for transition of leadership.
- Mention the preparations (insurance, trusts, and so on) needed for continuity of the business.

**IX. Milestone Schedule Segment**

- Develop a timetable or chart to demonstrate when each phase of the venture is to be completed. This shows the relationship of events and provides a deadline for accomplishment.

**X. Appendix or Bibliography**

# Types of Business Plan

(different rule of thumb regarding the length and level of detail)

- Summary Business Plan

- 10 to 15 pages
- New ventures in the early stages of development
- Want to test the waters
- To see if the investors are interested in their idea

- Full Business Plan (focus of this chapter)

- 25 to 35 pages
- Spells out the company's operations and plans in much more detail than summary business plan
- Works best for new ventures that are at the point where they need funding (serves as blueprint for the company operation)

- Operational Business Plan

- 40 to 100 pages
- Meant for the internal audience
- Works best as a tool for creating a blueprint (providing guidance to ta operational managers)

