



## Chapter 7: The Organisational & Operational Plan

# DEFINITION

The Operational Plan describes how you will structure your company and how you will carry out everything you present elsewhere in your business plan.

Without an execution strategy, the rest of your plan is meaningless.

# CONTINUES...

Like the Marketing Plan, your Operational Plan is essential to the success of your business. It will be important not just to would-be lenders and investors, but also to you, to management and to your employees.

You can't take for granted that anyone, including you, understands exactly how to run your business on a day-to-day basis unless you've thought it through and made your expectations clear.

# Legal Structures

## Sole proprietorship

- It is also known as sole trader, a person who wholly owns and operates the business.



# Legal Structures (cont.)

## Sole proprietorship

### Advantages

- Ease of formation
- Total control over business
- Relatively cheap to setup and maintain
- Few regulations

### Disadvantages

- Unlimited liability
- Limited resources
- Lack of continuity
- Tax



# Legal Structures (cont.)

## Partnership

- A relationship that exists between people carrying on a business in common with a view to making a profit.

It is a business formed by two people but having not more than 20 partners





# Legal Structures (cont.)

## Partnership

### Advantages

- Easy of formation
- Ease of operation
- Distinct existence
- Combined resources
- Direct rewards

### Disadvantages

- Unlimited joint liability
- Potential conflicts
- Lack of continuity



# Legal Structures (cont.)

## Company

- It is an enterprise formed by two or more persons, with a maximum of 50 people for a private limited company
- For public company minimum of 7 to infinite





# Legal Structures (cont.)

## Company

### Advantages

- Perpetual existence
- Limited liability
- Rights of a natural person

### Disadvantages

- High set-up and maintenance costs
- Spread ownership



# LICENCES AND PERMITS

Each industry has its own set of regulations that administered by a number of different authorities

A business owner must ensure that the firm can comply with all necessary permits and licences

It can be a primary indicator of the viability of a proposed business idea:

- if all necessary permits cannot be obtained, then the business is usually not feasible

# INTELLECTUAL PROPERTY (IP)

Types of IP rights:

- patents
- trademarks
- copyrights

# TYPES BUSINESS INSURANCES

- **Property insurance:** To protect your workplace
- **Professional liability insurance:** To keep your business running
- **Business interruption insurance:** To protect your business
- **Health Insurance:** To protect your workers

# SUPPLY AND INVENTORY MANAGEMENT

**Suppliers.** Where do you get the raw materials you need for production / Who manufacture your product?

- Who will your suppliers be?
- Do you have multiple options available, or are you beholden to a single supplier, which may subject you to shortages and give you little bargaining power with regard to price and delivery schedule?
- **Get 2 to 3 suppliers for your company to lower the bargaining power of supplier.**

# SUPPLIERS FOR YOUR COMPANY

## Suppliers of Superseed:

- 1) CityFarm Malaysia



Figure 9: Logo of CityFarm Malaysia.

The goal of CityFarm Malaysia is to inspire more city farmers to grow their own crops from anywhere in order to ensure a more sustainable future of food production. They provide a diverse selection of seeds such as herbs, leafy vegetables, fruiting plants, and edible flowers. Hence, it is a suitable supplier for our company.

Address: D-G-39, Pusat Perdagangan BS, Jalan BS 14/1, Taman Bukit Serdang, 43300 Seri Kembangan Selangor

Website: <https://cityfarm.my/>

Contact: 03-8940 7318 (Office)/ 018-3701 462 (Whatsapp)

- 2) Green World Genetics Sdn Bhd.



Figure 10: Logo of Green World Genetics Sdn Bhd (GWG).

Green World Genetics Sdn Bhd. (GWG) is a company that supplies commercial seeds, home garden products and fresh produce. They specialize in the research and development of high-quality hybrid seeds that are able to produce a larger output, better quality and superior resistance to diseases. It is located in Kepong, Kuala Lumpur.

Address: No.40, Jalan KIP 10, Taman Perindustrian KIP, Kepong, 52200 Kuala Lumpur, Malaysia.

Website: <https://www.matrade.gov.my/en/etrade/31-malaysian-exporters/going-global/going-global-exporters-success-stories/4187-green-world-genetics-sdn-bhd>

Contact: +603-6277 5570 or 603-6275 9903



# SUPPLY AND INVENTORY MANAGEMENT



**Inventory:** Where will it be stored? How will you ship it to partners if required, Explain how will you keep track of incoming and outgoing inventory?

**Feasibility:** Describe any product testing, price testing, or prototype testing that you've done on your product or service.

**Cost:** Give details of product cost estimates.

**Search for an inventory system for your company**

# PRODUCTION AND DISTRIBUTION

**Facilities.** Where will you and any team members work? Do you plan to have physical retail space? If yes, where?

**Equipment.** What tools and technology do you require to be up and running? This includes everything from computers to lightbulbs and everything in between.

How will your **production process work**? Include any processes that are **outsourced** and the **technologies** you use

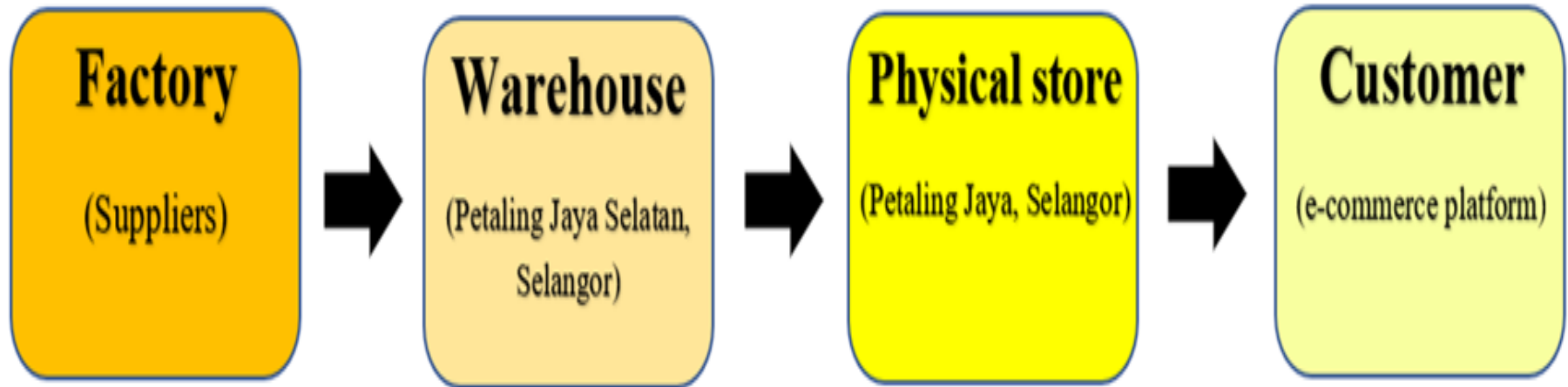
In the case of a grocery store, you may not be producing anything (unless you cook things in store), but you will certainly be distributing them.

# PRODUCTION AND DISTRIBUTION

The same is true for a cleaning service – how will you match up homeowners who want their houses cleaned and landlords and tenants who want their apartments cleaned with your pool of workers? How will you match workers by level of skill and experience and distance from the client with the jobs you send them on?

If it's a product you're selling – dresses, for example – in what stores will you sell them? Consider any arrangements that are already in place, and how you will get your product to the stores.

**First distribution channel (Physical store):**



**Second distribution channel (E-commerce platform):**



# Building a Successful Management Team

- Employees' loyalty and commitment to organisation is very important.
- Potential investors also concern about the management team and its ability and commitment to the new venture.



# MANAGEMENT TEAM AND EMPLOYEES

Your team of managers and lower-level employees or contractors are the ones who will carry out most of the company's operating plan, so it's important to **describe who they are**, what their **qualifications** are and what their **responsibilities** will be.

Include an **organization chart** showing the hierarchical structure of your business.

Also note whether your business will hire any outside consultants or other independent contractors. If so, why? What functions they will perform?



# Management Team and Employees



(Figure 5: Ez Charge Organization Chart)

| Position                       | Name                         | Salary (RM) |
|--------------------------------|------------------------------|-------------|
| Chief Executive Officer (CEO)  | Tan Sri Dr. Liaw Jing Shiong | 6,000       |
| Chief Operating Officer (COO)  | Dr. Asita Tan Jun Kai        | 5,200       |
| Chief Financial Officer (CFO)  | Dato’ Dr. Kam Lih Yang       | 5,400       |
| Chief Technology Officer (CTO) | Dr. Phoon Wen Hao            | 5,500       |
| Marketing Manager              | Mr. Wa Meng Ti               | 4,500       |
| Total                          |                              | 26,600      |

# CONCLUSION

The best part is that once you've worked through this business plan section, you'll not only have a detailed operations plan to show the readers of your business plan but have a convenient list of what needs to be done next to make your business a reality.



The End