



- A business plan is a written document that describes in detail
  - how a business defines its objectives,
  - the methods for achieving its goals, and
  - the time frame to achieve them
- A business plan lays out a written roadmap for the firm from
  - marketing,
  - financial, and
  - operational standpoints

## Why do you need a business plan?

- Business plans are important documents used to attract investment before a company has established a proven track record (Externally focused)
- They are also a good way for companies to keep themselves on target going forward (Internally Focused)

- It should include
  - An executive summary
  - Company summary
  - Products and Services
  - Marketing strategy and Market analysis
  - Operations and Management
  - Financial planning and budget
  - Supporting documents

### **Executive Summary**

- Outline the company
- Includes the mission statement
- Information about the company's leadership, employees, operations, and location
- Brief of product and market
- Competitive advantage
- Financial highlights
- Achievements such as patents/prototypes

### Company Summary

- Brief of the industry
- Company history
- Past performance
- Company ownership

### Products and Services

- Outline of products and services
- Pricing and product lifespan
- Competitive edge, Benefits to customer
- Production process
- Information about R&D

### Marketing Strategy and Analysis

- Study of market- Segment wise analysis
- Positioning
- Competitors- strengths and weaknesses
- Sales strategy How to grab market share
- Sales forecast-Expected consumer demand
- Competitive Edge

### Operations and Management

- Management Summary
- Tasks assigned to each division
- Responsibilities of the management team
- Capital and expense for daily operations

### Financial Planning and Budget

- Financial Planning and future projections
- Financial statements (for already established business)
  - Income statement
  - Cash flow statement
  - Balance sheet
- Targets and estimates (for new business)

#### **Example Corp.**

#### **Income Statement for Three Months Ended Sept. 30**

Sales	\$500,000
Cost of Goods Sold	\$150,000
<b>Gross Profit</b>	\$350,000

#### **Operating Expenses**

Advertising Expenses \$25,000 Administrative Expenses \$40,000

Total Operating Expenses \$65,000

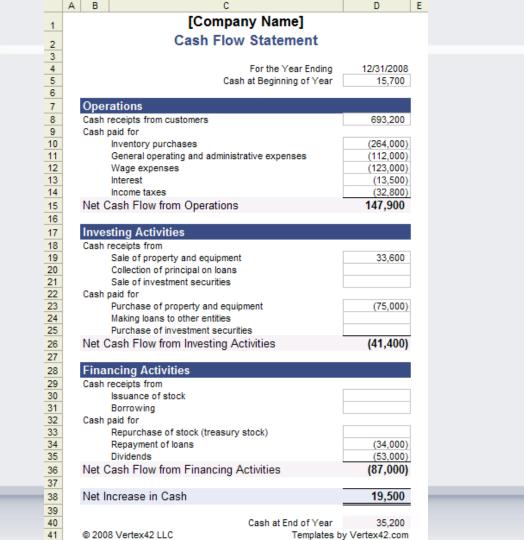
Operating Income \$285,000

#### **Non-Operating Items**

Revenue from Interest \$35,000 Cost/Loss from Lawsuit (\$12,000)

Total Non-Operating Items \$23,000

Net Income \$308,000



# Balance sheet example

TEDDY FAB INC. BALANCE SHEET December 31, 2100

ASSETS		LIABILITIES AND SHAREHOLDERS' EQUITY			
Current assets			Current liabilities		
Cash and cash equivalents	\$ 1	100,000	Accounts payable	\$	30,000
Accounts receivable		20,000	Notes payable		10,000
Inventory		15,000	Accrued expenses		5,000
Prepaid expense		4,000	Deferred revenue		2,000
Investments		10,000	Total current liabilities		47,000
Total current assets	1	149,000	Long-term debt		200,000
Property and equipment		Total Bakilisia	8	247.000	
Land		24,300	Total liabilities	2	247,000
Buildings and improvements	2	250,000	Shareholders' Equity		
Equipment		50,000	Common stock		10,000
Less accumulated depreciation		(5,000)	Additional paid-in capital		20,000
			Retained earnings		197,100
Other assets			Treasury stock		(2,000)
Intangible assets		4,000	and respondent of the second o		10.433.40310100041
Less accumulated amortization		(200)	Total liabilities and shareholders' equity	\$	472,100
Total assets	\$ _4	172,100			

# **Business Plan Example**

## **Entrepreneurship**

• Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties in order to make a profit

### **Entrepreneur**

- An entrepreneur is someone who organizes, manages, and assumes the risks of a business or enterprise
- An entrepreneur is an agent of change
- Entrepreneurship is the process of discovering new ways of combining resources

## Type of entrepreneurship

- Small business entrepreneurship
- Scalable startup entrepreneurship
- Large company entrepreneurship
- Social entrepreneurship

## Characteristics of entrepreneurship

- Ability to take risk
- Innovation
- Visionary and leadership quality
- Open-minded
- Flexible
- Know your product

## Importance of entrepreneurship

- Creation of employment
- Innovation
- Impact on society and community development
- Increase standard of living
- Supports research and development

## **Businessman & Entrepreneur**

Businessman	Entrepreneur				
Definition					
A businessman is an individual who operates or starts a business with the same old business idea.	An entrepreneur is an individual with an exclusive idea to initiate and establish a new venture				
Market state					
Market player	Market leader				
Market					
Makes his place in the market	Creates a market				
Risk factor					
Less	Approximately high				
Procedure					
Traditional/Ordinary	Unconventional				
Focus					
Profit	Employee, customer, and public				
Competition					
Extremely High	Low				

