



THE TEF BUSINESS MANAGEMENT TRAINING PROGRAMME

INTERMEDIATE'S COURSE: MODULE 5

DISCUSSION **GROUP AND PRACTICE** SESSION



TABLE OF CONTENTS

01

Business **Plan Lecturers** and Discussions

02

Tips **on Writing** Business Plans

03

Financial **Statements**



OVERVIEW

To succeed in your chosen business, writing a good business plan is important. It is said that if you fail to plan you plan to fail. A lot of people consider business plan as only a necessity for financing as required by banks. More will be derived if it is also used as a working document for business implementation, for start up and to fast track sustainable growth for existing business.

This module is designed for business owners and entrepreneurs who are ready to create a business plan. All the essential steps are covered, including; identifying the audience; gathering information; researching; describing product plans and marketing, as well as sales and accounting terms.

OBJECTIVES

At the end of the training, participants will be able to;

- Define Business Plan
- *Understand the purpose of a Business Plan*
- Discuss Features of a winning business plan
- *Understand* components of a Balance sheet
- Discuss Components of Income Statement
- Explain Statement of cash flows



1.0 BUSINESS PLAN DEFINITION

CHOOSING A COMPANY OR ENTERPRISE NAME

It is a process, which forces the entrepreneur to consider objectively all elements that contribute to a successful enterprise.

A good business plan is:

- a planning tool that spells out goals, strategies, and objectives in a systematic, realistic, and honest manner.
- A guide for operations and performance measurement that will serve management in the implementation of the project.
- A financing document that will obtain for the enterprise the necessary funding provided it is well researched and documented and the financial projections and assumption are supported.







A WINNING BUSINESS PLAN

Below is a sample of a winning summarised format

EXECUTIVE SUMMARY

This may be all that top management may read for decision making. Therefore ensure that it includes:

- Project description
- Market
- Production capacity
- Total projection cost
- Financing plan
- Financial projection
- Financial/Economic performance indicators
- Conclusion.





2.0 FINANCIAL STATEMENTS

Financial statements refer to a specific set of reports produced in an entity's accounting system. The objective of these reports is to provide information about the entity.

A complete set of financial statements includes 5 components:

- Statement of Comprehensive Income
- Statement of Changes in Capital
- Statement of Financial Position
- Statement of Cash Flows
- Notes to Financial Statements



COMPONENTS OF A **BALANCE SHEET**

EXAMPLE

- Non-Current Assets in Business
- Current Assets
- Net assets
- Intangible Assets e.g. goodwill?
- Long-term Liability in business
- Current Liability
- Distinction between Debtor and Creditor
- Retained earnings

**Santos Printing Services
Statement of Financial Position
As at December 31, 2019**

ASSETS			
Current Assets:			
Cash	\$	21,000	
Accounts Receivable		16,000	
Prepaid Expenses		4,500	\$ 41,500
Non-current Assets:			
Property, Plant, and Equipment		145,000	
Total Assets		\$ 186,500	
LIABILITIES AND OWNER'S EQUITY			
Current Liabilities:			
Accounts Payable	\$	8,400	
Rent Payable		8,000	\$ 16,400
Non-current Liability:			
Loans Payable		23,000	
Santos, Capital		147,100	
Total Liabilities and Owner's Equity		\$ 186,500	



INCOME STATEMENTS

Also known as the profit or loss statement or the statement of revenue and expense, the income statement primarily focuses on the company's revenues and expenses during a particular period.

The income statement focuses on the four key items -revenue, expenses, gains, and losses. It does not cover receipts (money received by the business) or the cash payments/disbursements (money paid by the business).



CASH FLOW STATEMENT

This is a financial statement that show how cash and cash equivalents flows in and out of a business within a particular period. In other words, it helps ascertain if a business engaged in any cash transaction during a given time interval from which it settles its debt and take care of other financial, investment, and operating activities.

KEY TAKEAWAYS

- A cash flow statement is a financial statement that summarizes the amount of cash and cash equivalents entering and leaving a company.
- The cash flow statement measures how well a company manages its cash position, meaning how well the company generates cash to pay its debt obligations and fund its operating expenses.
- The cash flow statement complements the balance sheet and income statement and is a mandatory part of a company's financial reports.



CONCLUSION

Every business needs to have a written business plan. Whether it's to provide direction or attract investors, a business plan is vital for the success for your organization.

Financial statements are used for many different purposes by many different parties inside and outside the business. Clearly all successful businesspeople should have a good basic understanding of financial statements .

Financial statements contain critical business information and are used for many different purposes by many different parties inside and outside the business. Clearly all successful businesspeople should have a good basic understanding of financial statements and the main financial ratios.



RESOURCES

STAGE	MODULE	TOPIC
BEGINNER'S COURSES	MODULE 5	DISCUSSION GROUP AND PRACTICE SESSION
RESOURCES FOR MODULE 5		
Exercise 1	Develop a Business Plan for Vinco Bakery. This bakery is specialized in producing bread and confectionaries for those who are on special diets	
Exercise 2	List three purpose of a Business Plan	
Exercise 3	Draw up a forecasted income statement for your present business. State the income and expenses of your operation in USD after receiving a grant of \$50,000	
Further Reading Link	http://www.wisageek.com/how-do-i-analyze-a-companys-financial-earnings.htm#didyouknowout https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan https://freedownloads.net/balance-sheets/ To read the extended lesson content! Please click the link below Intermediate Module 5A - Discussion Group & Practice Intermediate Module 5b- Discussion Group & Practice	



THANK YOU!