

## Summary

### Creating an Effective B-Plan: Part 3

When you are about to launch a new product, it is important for you to be able to forecast how much it would cost to produce and stock and how much it would cost to just run the company. Besides this, thinking about shipping or logistics costs becomes critical, as that is a cost that has to be borne to be able to get the product to the customer. A business plan should be able to give details on all such costs, no matter which part of the business they apply to.

#### Building Business Plan Projections

All start-ups have unique financial needs. Some businesses can be started with little money while others require large investments in equipment, logistics and other start-up costs. Operations is concerned with how you buy, build and prepare your product or service. This covers:

- Cost of goods sold
  - Raw material cost
  - Labor cost
- Cost of facilities and equipment used
- Cost of shipping finished goods
- Manpower cost
- Other Expenses
  - Office Premise Rent
  - Warehouse Rent
  - Electricity
  - Other Office Expenses
  - Travelling
  - Communication

#### You should be able to:

At the end of this session, you should be able to apply your learnings to:

- Create a Business Plan for your startup
- Chart out the projections for your venture idea which should include revenues and costs