

BAHIR DAR UNIVERSITY

**COLLEGE OF MEDICINE AND HEALTH SCIENCE**

Entrepreneurship Group Assignment

**Submitted to: Mohammed**

**Submitted by: Jan**

**Bahirdar,Ethiopia**

Group members

Name Id number

1. SAMRAWIT DESSIE…………………………………………………BDU 1404542
2. SEBLE TESFU……………………………………………………….…..BDU 1404540
3. TESFAMARIAM YIGZAW……………………………………………BDU 1403911
4. TIGIST ENDAWEKE……………………………………………………BDU 1404982
5. TIGIST TIZAZU ………………………………………………………….BDU 1605903
6. TILAHUN AYALEW…………………………………………………….BDU 1403878
7. TINSAE MINASE…………………………………………………………BDU 1405219
8. TIZTAWORK TADESSE…………………………………………… …BDU 1403651
9. YEMSRACH TSEGAW…………………………………………………BDU 1404094
10. YIHEYES MULAT………………………………………………………..BDU 1309125
11. YORDANOS TILAHUN……………………………………………… BDU 1405059

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# Introduction

Okay, imagine you're going on a road trip. You wouldn't just jump in the car and drive aimlessly, right? You'd probably map out your route, figure out where you'll stay, and how much money you'll need for gas and food. A business plan is like that map for starting and running a business. It's a document that spells out what your business is all about, what you want to achieve, and how you're going to get there. It helps you think through all the important details, like who your customers are, how you'll make your product or deliver your service, and how you'll make money. Having a solid business plan is like having a GPS for your business journey – it keeps you on track, helps you avoid getting lost, and increases your chances of reaching your destination successfully. It's not just about dreaming; it's about making those dreams a reality by planning them out step-by-step.

**"A goal without a plan is just a wish."** – Antoine de Saint-Exupéry

# What is a Business Plan?

**"Planning is bringing the future into the present so that you can do something about it now."** – Alan Lakein

A business plan is a written document that explains a business's goals, operations, financial aspects, and marketing strategies. It acts as a roadmap, guiding the business from its current position to its desired future state.

A business plan ensures proactive rather than reactive management, enabling forecasting of sales, resource requirements, and market trends. It also serves as a safeguard against failure or mismanagement.

## Advantages of Writing a Business Plan

**"If you fail to plan, you plan to fail."** – Benjamin Franklin

1. **Obtaining bank Finance**: Helps secure loans by showcasing the business's feasibility. It serves as an assurance for being financed.
2. **Seeking investment fund**: Venture capitalists use business plans to screen out those businesses to be financed. A well-written business plan expands the chance of being financed.
3. **Arranging Strategic Alliances**: Helps attract partnerships with large corporations.
4. **Obtaining Large Contracts**: Demonstrates reliability and long-term planning**.** Builds trust with major clients.
5. **Attracting Key Employees**: business plan reassures potential hires about business longevity.
6. **Completing Mergers and Acquisitions**: Facilitates smooth business transitions whether you want to acquire a new business or want to sell your business.
7. **Motivating the Management Team**: Ensures alignment and commitment to shared goals. The plan serves as a motivational tool by laying out the company’s financial, marketing and production goals.
8. **Mitigating Risks**: Identifies challenges and outlines strategies to overcome them.

Elements of a Business Plan

A business plan typically ranges from 25-55 pages and includes the following components:

1. **Introductory Page**: This is the title or the cover page that provides a brief summary of the business plan’s content. Includes the business name, address, and financing needs, Confidentiality statement etc…
2. **Table of Contents**: it is the logical listing of all the business plans section and subsections together with section titles and page numbers. Helps readers quickly locate specific information.
3. **Executive Summary**. It is two to three pages **a concise overview designed to grab attention.** Write this after completing the entire plan to capture its best highlights **but** placed first. It encourages investors to read further (entire business plan).
4. **Environmental and Industry Analysis**: **Evaluates market trends** at national and international levels **and competitor strategies**, including:

**Economy**: Trends in GDP, disposable income, and unemployment, saving habit.

**Culture**: Shifts in population and values toward for example fashion, work, saving, safety, health and nutrition etc.

**Technology**: Anticipated advancements.

**Legal Concerns**: Regulations affecting the business such as future legislation that may affect the product or service channel of distribution, price or promotion strategy. This analysis provides insights into market demand and competition.

1. **Description of Venture**: Outlines the mission, product, and location.

**Mission Statement**: The business’s purpose and long-term goals. It is also known as definition of business

**Product Description**: Features, benefits, and competitive advantages. The owner should honestly compare its product with that of competitor’s citing specific advantages that makes the business’s product different from others.

**Location**: Accessibility, infrastructure, and zoning considerations

1. **Production/Operation Plan**: Details how products or services will be delivered.If the venture is a manufacturing company, there is a need to have a **production plan**. It (production plan) includes equipment and raw material requirements, cost of the raw materials, cost of manufacturing etc…

If the enterprise, however, is non-manufacturing one like merchandising and service delivery organization, this part of the plan is named as **operational plan.** It (operational plan) outlines inventory control and procurement processes.

1. **Marketing Plan**: The marketing plan is the major component of a business plan which explains how you'll attract and retain customers.

Steps in preparing a marketing plan:

**Define the Business Situation**: Assess the market environment.

**Define the Target Market**: Identify customer segments.

**Analyze Strengths and Weaknesses**: Evaluate internal capabilities of business

**Establish Goals or objective**: The goal answers ‘the where we want to question’. Define clear, measurable goals. Use the SMART framework (Specific, Measurable, Achievable, Relevant, and Time-bound).

**Develop Marketing Strategies and Action Program**: Execute the plan and track performance to make adjustments. It addresses product offerings, pricing, distribution channels, and promotion.

1. **Organization plan**: defines the business's organizational structure, specifying roles and responsibilities to ensure effective management and operation. This section of the plan should include the following:

* **Form of ownership**: Clearly describe the legal form of the business, whether sole proprietorship, partnership, or corporation.
* **Authority structure**: Present the lines of authority and responsibility within the business.
* **Roles and responsibilities**: Outline duties of key positions, including the entrepreneur and any partners or staff.
* **Management team**: Provide a brief summary of the qualifications of key team members.

If the venture is a partnership or corporation, include agreements that describe ownership rights and responsibilities among stakeholders.

1. **Financial Plan**: The financial plan provides a detailed outline of the resources required for startup and ongoing operations. A strong financial plan is essential for forecasting expenses, securing funding, and preparing for long-term growth.

**Capital and operational Budget:** business plan can be complete when the marketing plan is accompanied by budget for operation and procurement of capital for the business.

10. **Assessment of risks**:the entrepreneur should be able to indicate the potential risks to the new venture.And present the strategy that will be employed to either prevent, minimize, or respond to the risks that could occur.

# Summary

A business plan is like a detailed map for a new business. It shows what the business wants to do, how it will do it, and how it will operate. The plan starts with a quick introduction and a table of contents to make it easy to read.

A short overview called the executive summary gives the main points. Then, the plan looks at things like the economy, what people like (culture), new technology, and what other businesses are doing. It also describes what makes this business special, including its goals, products, and where it will be located.

The plan explains how the business will make its products or provide its services, and how it will find and keep customers. It talks about money – how much is needed to start and run the business. It also describes who will do what jobs in the business. Lastly, it talks about possible problems and how the business will deal with them.

Basically, a good business plan helps get investors, manage risks, and helps the business succeed in the long run.