

08/12/2022 Lecture 1 2

Chapter 7 1 question must in final.

Buisness plan as project? I think...

Direction of the buisness, it give you the direction. who watches which departmnet, which processes input gives what output. < operations, buisness plan.

Mission vision goal objectives are not finalized. this keeps changing. this is not the plan.

Purpose of a buisness plan?

1.

To obtain financing.

An investor will only invest if a the plan is clear. because they want to calculate ROI. buisness plan gives them all of this. Even after a pitch they would still want a buisness plan. > clarity of purpose as to what kind of finaincian you are looking for , the BP would reflect that. ##### 2nd reason this will also determine at what level how much resources you will need, financial as well as others. ##### 3rd reason. It gives your buisness a direction. just like the imagined ends that came in the first chapter. Good buisness plans mention multiple ends... > Buisness plan must have a one imagined end to remain focussed in one thing. ##### 4rth reason it helps us obtain a co-venture. A co-venture is needed when two expertises need to be merged. Sony Ericsson Pull effect? marketing perhaps.

Elements of a buisness plan.

PAGE 172 30 to 40 pages at least. ##### Section 1 **Table of contents Executive Summary**. Crux of the buisness plan. If one should read this, he should understand what the BP is about. the ES should pull the customer to read the BP.

Section 2, Description of venture. Product and services, what has been done before what is being done.

Section 1: Title page - Table of contents - Executive summary Section 2: 1.0 Description of business - Description of the venture - Product(s) and/or service(s) - Mission statement - Business model 2.0 Description of industry - Type of industry - Future outlook and trends of industry - Analysis of competitors - Trends and market forecasts 3.0 Technology plan - Description of technology - Technology comparison - Commercialization requirements 4.0 Marketing plan - Market segment - Pricing - Distribution - Promotion - Product or service - Sales for first 5 years 5.0 Financial plan - Sources and applications of funds statement - Pro forma income statement - Pro forma cash flow statements - Pro forma balance sheet 6.0 Production (outsourcing) plan - Manufacturing process (amount subcontracted) - Physical plant - Machinery and equipment 7.0 Organization plan - Form of ownership - Identification of partners and/or principal shareholders - Management team background - Roles and responsibilities of members of organization 8.0 Operational plan - Description of company's operation - Flow of orders and goods - Exit strategy - Suppliers of raw materials - Outsourcing aspects - Organizational structure

9.0 Summary

Section 3: Appendices (exhibits) - Exhibit A – résumés of principals - Exhibit B – market statistics - Exhibit C – market research data - Exhibit D – competitive brochures - Exhibit E – competitive price lists - Exhibit F – leases and contracts - Exhibit G – supplier price lists