

# **BUSINESS PLAN OUTLINE**

Planning an expansion of services, a new venture or a capitalization program calls for the writing of a Business Plan. It is the design for success and the vision of the strategies. Many executives use the Business Plan to monitor the performance later and assess the need for revisions.

## **Plan Overview**

A brief outline of the proposed venture is necessary to justify to a management team and the board of directors that the program or service has future value. A few pages should portray the definition of the proposing body, the expected accomplishments, the resources needed, the marketing environment and the financing needed. The writer should quickly get to the point and show the return on investment. Then each section of the plan should provide more detail. Investors read this first and quickly flip to the financial section. This is the heart of the plan.

## **The Organization Plan**

The plan should describe the following information about the organization, which will carry out the plan.

- The history of the organization
- The current present business or activities
- The products/services provided now and in the future
- Financing history and ownership
- Size of the present business and plan for future
- Key technologies, research, etc.

## **The Market Environment**

This should be a detailed explanation of the market into which this venture will enter. It is key to complete this section with the help of market research assistance, clearly showing the following:

- Market size - past, current and future
- Issues and Trends - including social, government and globalization
- Estimate of success in this market. The management team and the board of directors will need to be convinced.
- Competition - Detailed list of competitors showing strengths and weaknesses. What is the share of the market enjoyed by each competitor?
- Pricing - This section should be detailed (matrix) and show equivalents for each competitor. Each segment of the product, program or service should have a comparison, with comments to the management team and board of directors regarding how the new venture will compare in pricing.

- Customers and Clients - Plan should include a detailed list of past, current and future customers and clients to be served by the new venture. What are their expectations? Who is responsible for purchasing or financial decisions? What new improvements are needed? What are the recommendations of the customers' customers?
- Market Strategy - The plan should describe how the venture would distribute the products/services to the above customers and clients, considering geography, inventories, and service plan.
- Marketing Plan - The plan should make clear how the venture would market to each segment of the market. It should include plans for advertising, public relations, fund raising, publications, surveys/interviews, incentive plans, and funding forecasts.

## **Operations**

The plan should explain how the product/service would be produced or performed.

- Processes - What processes will be used in the operation and what benchmarks can be emulated?
- Quality Management - What quality controls can be provided to upgrade the program or service?
- Costs of Operations - Each segment of the process should include cost data and be compared with competitors.
- Site - The location of the organization should be explained including capital needed, distance to sources, cost of manpower, etc.

## **Management**

The plan should include detailed explanation of each major member of the management team including a plan to recruit team players needed. Boards of Directors and Funders pay close attention to the selection of management. Compensation plans should be written.

## **Financial Plan**

A Business Plan should include a five-year projection of income, expenses and net gain. This should include usage rates, budgets by departments, cost of capital, funding potential, depreciation, etc. Policies and procedures should be included. There should be a plan to either recruit a business manager or show how this will be outsourced.

- The plan should indicate how much capital will be needed over the five years and what the financing plan will be.

## **Conclusion**

The plan should restate the successes expected by the accumulation of the above elements working together effectively. Charts and graphs should be provided in an

Appendix. Program and service reliability should be explained. The legal and financial advisors should provide their comments. Potential affiliations with other partners should be clarified. A schedule of events should be provided to show the time needed to be successful. The writer should realize that new programs and services take a lot of selling before a plan is approved.

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