

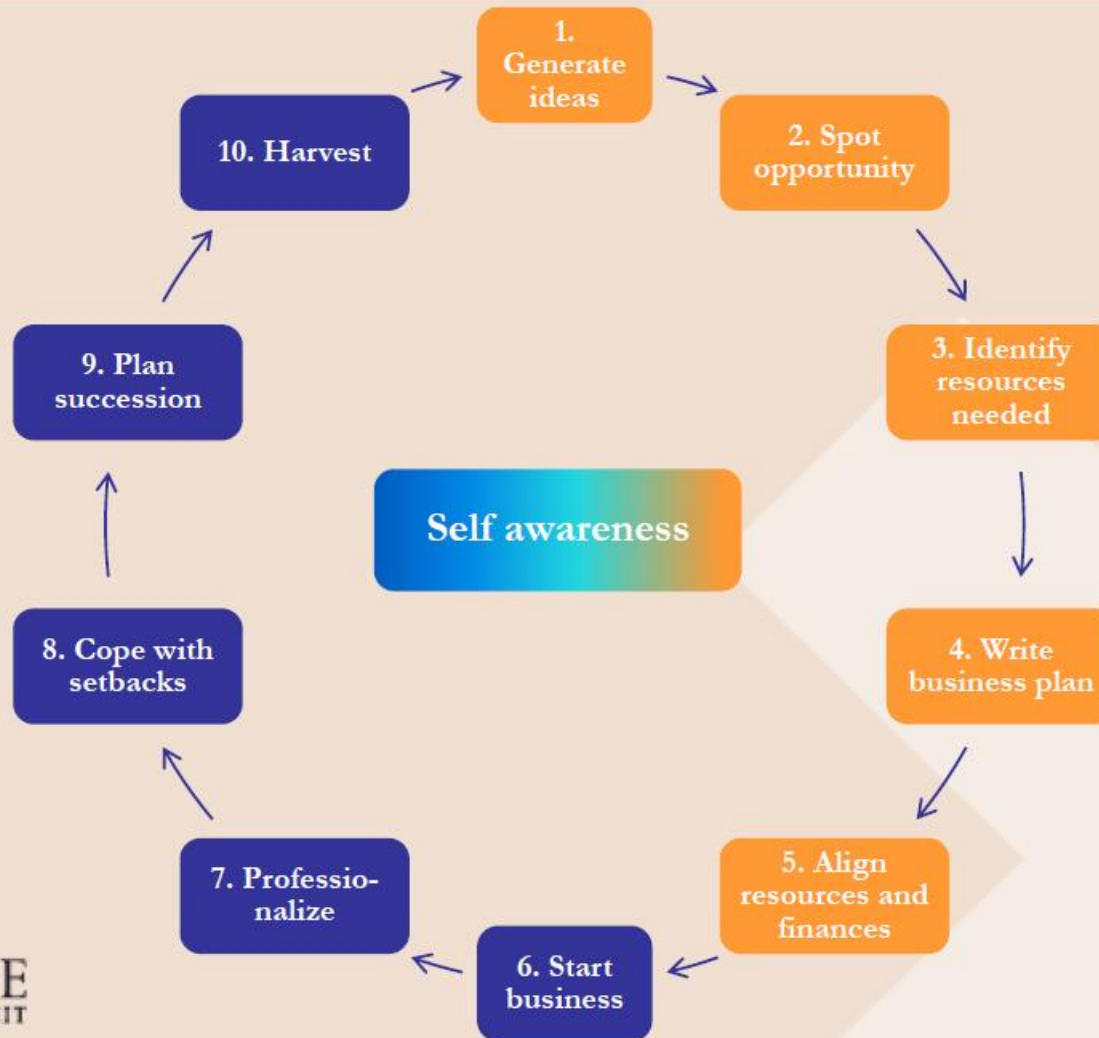


How to Write a Business Plan

Course ICT-Entrepreneurship

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ENTREPRENEURIAL CYCLE



Goals of the business plan



- consider important aspects and decide whether to “go or no go”
- initial planning document for a new business
- serves as a tool to communicate the idea of the new venture to potential investors, bankers, key employees
- serves as a record to monitor and compare results

Who Needs to Write/See the Business Plan?



- Most banks loaning money, especially if the business does not have a track record
- Farmers, to insure they have considered everything
- Investors or partners who have some doubts about your abilities/integrity
- Highly required or important potential employees
- Anyone wondering if they should take the risk



Structure

- cover page
- executive summary - small version of BP
- company strategy - what's your identity?
- marketing issues - who are the buyers?
- product/services issues: What are you selling?
- sales and promotion: How will you sell?
- financial issues

Four Principle Strategy Issues



- overall company strategy: overall approach to producing and selling products and services, goals for maximizing success, what is your guiding principle?
- mission statement: a statement that encapsulates your company's values and overall purpose in life
- technology/information assessment: ability to use technology and manage information
- management team: who determines and implements strategy (must have credibility)

Overall Strategy: past, present and future issues



- Discuss your company's history, when it was started, by whom, has strategy changed from that of the past, if so, why?
- Include fundamentals: sales, profits, number of employees, locations
- What is status of company today (snapshot)?
- Strengths and Weaknesses: mention these, you will appear more honest, open-minded

The Management Team



- This is the critical link in making the strategy section believable
- quality of the management team should speak for itself because people are the key to determining success
- two most common problems: one-man-band syndrome, everyone from same background
- hard to expand if you have a dictator
- successful management teams require diversity of training and expertise