



STUDYDADDY

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ENTR 4100

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Description: Write a 3-5 year business plan (synopsis plan) for your new venture. The plan should paint a picture of where you can take the business over the next 3 to 5 years. The plan should detail how the business will achieve its 3-5 year objectives and what resources will be required to meet these objectives. Below is an outline of common elements within the plan. Remember, these sections are interconnected (e.g. increased sales influence financials, HR, operations etc.); also who is the audience for the plan (e.g. investor; bank; self). **Body of the plan should be 10 pages max single spaced.**

BUSINESS PLAN ASSIGNMENT & TEMPLATE

(Individual plans will vary depending on the business being analyzed and the audience for the plan. The following, however, serves as a guide for some of the main considerations within the plan)

COVER PAGE

- Name, logo, address of business
- Student's names, date submitted, the Instructor, Course Name/Number and the Lecture number.

EXECUTIVE SUMMARY (1 page)

1. Summarize the key components of your business plan.
 - What is the nature of the business – what do you do?
 - Current state of the business/ key recommendations
 - What price will you pay for the business (rate of return)
 - Where it will be in 3-5 years, how it will get there
 - Industry information
 - Market potential
 - Financial and investment returns
 - Why this is business is a good idea
 - Where to from here?

Be succinct here. Focus on immediately telling the reader what you do (product/service offering), the current status, relevant financials, relevant market information. **IT IS CRITICAL TO PULL OUT ONLY THE ESSENTIALS HERE.** Think of a newspaper – only the most important information is disclosed.

TABLE OF CONTENTS

- Include page numbering
- Ensure it looks professional and that all major headings and subheadings are included

Depending on whether you are offering a product or service, or both, this section will read quite different.

For services, you need to outline precisely what you are offering, and include location, etc.

For products, this will be more complex and will include details surrounding the product itself, features and benefits, why it is special, etc.

Generally, this is a brief section giving only the necessary facts.

THE OPPORTUNITY

1. Product / Service Description
 - **What is it currently/ in 5 years**
 - Special features
 - Benefits to the market/customer

- Specifics about the market served
- What “problem” is solved
- What is the business model
- What is the value of the business

THE STRATEGIC PLAN

1. The Company

- Background
- Vision/Mission statements
- Current Status (& type of business)
- Future Plans (vision)

2. The Industry

- Define it – frame the industry (what is it?)
- What is going on in the industry? General trends, movements, players, etc.
- Chief Characteristics (size and growth rates)
- Why this industry?
- Porter Analysis (be brief)
 - Buyer Power
 - Supplier Power
 - New Entrants
 - Substitute Power
- Other relevant information (ie. profit, margins, etc.)

3. The Macroenvironment

- How the current Macro environment might influence your business

4. Competitive Analysis

- Overview
- General description of competition
- Is the competition many (segmented) or is it few (concentrated) or somewhere in between?
- How many are there and how powerful are they?
- Competitive Grid
 - Develop grid based on relevant factors in your market but also on: product, price, promotion, distribution, profit, other.
- Evaluate the competitors (products/services) – differentiation
- Use the Yellow Pages, other resources and personal experience to “shop” the competition.

Summarize what you learn in a working table which can include:

- competitor:
- location
- space (square feet)
- operation hours

The best sections are brief and to the point.

For the company, ensure you are disclosing relevant information – where are you at now, and where are you going.

Focus immediately on YOUR industry and try to tell the reader exactly what this industry feels like. Give them a snapshot of what is going, what will happen in the future and why this industry is attractive.

Another tip: summaries at the end of major sections are a very good idea.

One of the biggest mistakes people make in writing business plans is understating the competition. Poor research and underestimating the competition takes away from the business plan and likely the chances for an investor to take you seriously.

Do your homework. Know who the players are, how they compete, why they are successful. You will need to know this so you know how to attack the market.

- estimated employees
- major lines

You can also “shop” a number of “standard”, comparative items and summarize in another table.

- Possible considerations may include: store size, access to traffic, merchandise lines, age, decor, upkeep, display, knowledge and ability of sales people, sources of supply, and channels of distribution.
- Market Niche and Share
- Comparison of strengths and weaknesses (SWOT Analysis)

MARKET PLAN

1. Overview

- Are you B2B or B2C?
- Who is the customer and who is the end user?

2. Target Market

- What is your target segment (use segmentation analysis)?
- What are the segment variables (benefit, geographic, demographic, psychographic)
- What is the market in terms of overall expenditures, growth rates, trends)
- Determine total target market and give statistics
- Determine your market share.
- What is the market in terms of overall expenditures, growth rates, trends)

This section is critical. Here, you are offering the reader a good overview of who your customer is, what they look like, and why they would buy from you.

Be specific about your market – the narrower the better. You should know who will buy and why they will buy. Also outline general information about them so you know how to market effectively to them.

3. Consumer Analysis

- Who is the consumer (buying behaviour, how many, who do they buy from now)

4. Product / Service Description

- What is it
- Special features
- Benefits to the market/customer
- Proprietary Features
- Trademarks? Copyright? Patents?
- What is your USP (unique selling proposition)?
- Packaging?
- Location of Business.
- Specific and alternative locations (including the internet).
- Identify reasons for selection for specific site.
- What is traffic flow (pedestrian/vehicular), costs, cost of leasehold improvements, etc?

MARKETING STRATEGY

(1) Market Penetration Goals

- Sales goals and time to market

- Include timetables
- Sales Forecast
- Break-Even Point
- Three scenarios (worst, likely, best)

Sales Forecasting - Note

Estimated monthly sales for the business for year one and annually for years 2-5. The most appropriate approach will be somewhat different for each line of trade. Some of the approaches are:

- average price per transaction x number of customers per day;
- average price per meal x number of seats x number of seats turned over per day x number of days open per year (restaurant);
- look at the trend of the average sales from past years and extrapolate to current year;
- talk to the people in your line of trade. What is the “lingo” for key data elements needed to forecast sales?

2. Marketing Strategy

- Using the 5 Ps, outline your marketing strategy in detail for each (product, price, place, promotion, profit – see the course for more detail).
- Focus on promotion – how will you get your message out to the public??
- What are the costs associated with your marketing strategy?
- What is the sales team?

Now that the reader has a good idea of the industry, competition, and market, tell him/her how you plan to attack this market.

Base your analysis on the 5 Ps – using these, tell the reader how you plan to entice them into buying your product or using your service.

Be realistic here – know what types of promotions work best for given markets and link this to your segmentation variables.

MANAGEMENT & HUMAN RESOURCES

1. Organization Structure

- Organization Chart
- Job descriptions of managers and employees
 - Employee Policies, Job Procedures
 - Delegation of authority
 - Areas of responsibility and decision-making

2. Recruitment, Selection, and Training Systems

3. Compensation Schemes

4. Overall Management (or Leadership) Style

- Management Process: Planning, Organizing, Motivating, Controlling
- How will these processes assist the organization in fulfilling its objectives?

5. Board of Advisors or Directors

- Who is on the Board and why?
- What is their role? How often will they meet?

This is a good section to outline the qualifications of your people and how you intend to manage the company.

Be brief here, including only relevant information in the plan. Most importantly is how the company will manage the growth in HR which corresponds to the financials.

PRODUCTION/OPERATIONS MANAGEMENT

Decide on an appropriate scale of operations, required space, and required operations and control systems.

1. Focus on briefly describing plants, parts, processes, planning and control.
2. What is the workflow?
 - Scheduling and job allocation for hours of business
 - Work-flow diagram
3. Design considerations
 - Design of front of location-if applicable
 - Square footage – allocation sales/administration
 - Furniture, fixtures, equipment requirements
 - Leasehold improvements and costs
4. Inputs
 - What inputs are required? Cost?

Depending on the nature of your business, this section may or may not be relevant.

If it is, it should be brief and immediately zero in on the relevant 5 Ps to execute this business. You will need to do your research here to ensure accuracy.

Be clear on your inputs. It is not uncommon to have a good idea but have no source for the some or all of the inputs.

5 Risk Analysis

- i. Identify potential risks to your plan, how will you mitigate

6 Legal Plan

- Legal Structure
- Regulatory Compliance
- Risk Minimization Strategies
- i) Contracts, waivers, insurance
 - Intellectual Property

This is a necessary section and, depending on your business, quite important. Outline how you will interact internally and externally on a legal and social basis. Be certain to investigate relevant laws to ensure you are covered.

7 Social

- Responsibilities of the organization, including overall mission/goals and its affect on stakeholders
- Evaluation of ethical standards within the organization
- Interactions with external stakeholders (community, vendors, customers, government, unions)
- Affect on stakeholders (such as environment, safety, cultures, political and regulatory structures, etc.).

FINANCIAL ANALYSIS

- (1) Valuation of company (method(s) used); how you will finance the purchase; what the return will be upon exit
- (2) Income & Expense Statements
 - ii) Include assumptions regarding growth in income
 - iii) Include sales forecasts
 - Watch all expenses – include all costs, advertising, leases, interest, etc.
2. Balance Sheets
3. Cashflow Statements
 - First year monthly cashflow statement
4. Financial Analysis

This is perhaps one of the most important pieces of your business plan. Do not rush it!

It MUST be based on all the information thus far disclosed and be congruent with your plans.

Use MS Excel for this and ensure it is clear and simple to read.

Ensure ALL assumptions are clearly outlined that build up into the financial statements.

Err on the side of conservative estimates – investors look for believability.

- Compare your projections against industry averages
- Include return on investment, if applicable, and investor information

Critical Notes Regarding Financials

- It is imperative you use footnotes and state assumptions
- Assumptions must be based on something (ie. market share, growth rates, etc.)
- Discuss financial sources – where is the money coming from?
- Understand the time it takes to become profitable
- Projected financial statements are a reflection of all your planning (marketing, production/operations, human resources, etc.) in quantitative terms and as such must have a written explanation regarding each decision or assumption.

CONCLUSIONS

1. Briefly conclude and summarize WHY this business should follow the recommendations outlined and, if applicable, why would an investor invest.

BIBLIOGRAPHY

Cite traditional secondary sources, including web pages, as well as individuals, including their position or title.

APPENDIX

1. Exhibits at end of report for special documentation.
 - Exhibits should be relevant (summaries, tables of key data, pictures, etc.) and SHOULD BE REFERED TO IN THE BODY OF THE BUSINESS PLAN

BUSINESS PLAN EVALUATION (written)

(Guideline only, sections may have heavier weights depending on the business; consistency across sections is critical)

PROJECT NAME: _____

AREA	Score
COVER PAGE & TABLE OF CONTENTS	/5
EXECUTIVE SUMMARY	/10
THE OPPORTUNITY	/8
STRATEGIC PLAN	/15
MARKET PLAN	/20
MANAGEMENT & HUMAN RESOURCES	/10
PRODUCTION & OPERATIONS MANAGEMENT	/10
FINANCIAL ANALYSIS	/15
BIBLIOGRAPHY	/2
APPENDIX	/5
TOTAL	/100
Comments & Adjustments	



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