****

**BUSINESS PLAN TOOLKIT**

**Developed for Afrilabs Capacity Building Programme**

**By Simply Exponential Consult**

**BUSINESS PLAN**

**FOR**

**(INSERT YOUR BUSINESS NAME)**

You are required to provide a **cover page** for your business plan which outlines your business name, Company Registration number (if any) business contact details [address, phone numbers, email address and website (if any)] and a business logo (if any), and date that the business plan is prepared. Also include name and contact details of the founder. It may have a graphic which is not too distracting.

 **IMPORTANT NOTE**: **DELETE ALL EXPLANATORY TEXT IN RED AFTER COMPLETING EACH SECTION**

**TABLE OF CONTENTS**

Table of Contents

[**EXECUTIVE SUMMARY** 4](#_heading=h.gjdgxs)

[**CHAPTER ONE: BUSINESS OVERVIEW** 5](#_heading=h.30j0zll)

[**CHAPTER TWO: MARKETING PLAN** 8](#_heading=h.1fob9te)

[**CHAPTER THREE: OPERATIONAL PLAN** 11](#_heading=h.3znysh7)

[**CHAPTER FOUR: ORGANIZATIONAL AND MANAGEMENT PLAN** 13](#_heading=h.2et92p0)

[**CHAPTER FIVE: FINANCIAL PLAN** 14](#_heading=h.tyjcwt)

[**CHAPTER SIX**: **BUSINESS RISK AND MITIGATION** 15](#_heading=h.3dy6vkm)

[Appendices 15](#_heading=h.4d34og8)

You should include a table of content in your business plan, relevant sections ONLY

**EXECUTIVE SUMMARY**

 This should be written last. It serves as an overview of the business plan in one or two pages and should include the business description, ownership, target market, industry background, risks and mitigation, funding requirements and purpose, projected turnover, gross and net profit.

Ensure that you show profitability and competency in the executive summary.

Since it is to serve as a summary (or a snap shot) of the contents of the business plan. It should be written in such a way that anyone reading it would have seen the core or essence of the plan.

| \*\*\* Insert chapter headings eg:Business OverviewMarketing PlanOperational Plan etc.  |
| --- |

WRITE YOUR EXECUTIVE SUMMARY IN THE BOX ABOVE, AFTER COMPLETING YOUR BUSINESS PLAN



**CHAPTER ONE: BUSINESS OVERVIEW**

| **Business Overview:** Describe your organization briefly, provide business name, nature of business/type of hub, registration and current operational status (if your business is a start-up business idea, state it), identified problems, your proposed solutions and projected Social Impact, alignment with SDGs etc.**Product/Service Description;** Describe each of your products/Services stating the benefits and features**Vision and mission statement** **Vision Statement:** This is a statement of what you want your company to become in the foreseeable future. Do you want to become one of market leaders, or the most preferred brand? Etc. You may state the time frame for attaining the vision. The vision must be inspiring to drive you to higher and higher performance in the business. Start your vision statement with a ‘To’ **Mission statement:**This is simply the statement of the purpose for which the business is set up and is trying to achieve, its reason for existing that indicates the problem the company's product or service will solve and the market niche.More so, **mission** entails ‘what’ and ‘how’ the vision will be attain? What do you want to be known for? Is it for quality product/ service, affordable price, quick delivery? Etc. it also explains how the vision will be attained. Start your vision with a ‘To’ **Business objectives** This is the breaking down of the vision into milestones. It is a statement of what you want to achieve with the business over a defined period. It could be to:1. Launch your product/service in the market by a specified period
2. Grow the business to a specific size
3. Increase market share by a specific percentage
4. Increase profitability to a certain level
5. To increase online presence by a certain percentage

Most importantly, your business objectives must be SMART:**Specific** – target a specific area for improvement or initiation.**Measurable**– quantify or suggest an indicator of progress.**Attainable** – your goal also needs to be realistic and attainable to be successful**Relevant** – state what results matter to you/critical for success.**Time bound** – specify when the result(s) will be achieved.i.e., ‘To increase revenue by 60% in the next 12 months.Start each of your objectives with; To”  **Unique Selling proposition:**This is a promise of value to be delivered and acknowledged. * Why should your target customers dump their current provider and patronize you?
* What is that special flavour you are bringing into the market?
* What unique value are you offering that your current competitors do not offer?

It could be:* speed
* Cost saving
* Enhancement of health
* It could be enhancement of efficiency in the customers’ business or life, etc.
* Data saving
* Etc.

**Industry Analysis Summary:** this is a description of the Innovation/Tech Hub industry in your location as obtained from your Market Research. Provide a brief background What are the industry trends in term of competition and demand? Who are the major players in this industry? How viable and profitable is the business?* State the probability of new entrants
* State the potential new competitor/market entrants
* State if the barriers they must overcome to enter the market is high or low
* State if the cost is high or low for a customer to switch to competitors

Extract the information about the industry from your research report.**Social Impact of the Project:** list the benefits that the business will provide to its stakeholders, customers, government, community, economy, etc. you can read through the hubs in the case study for an example of their social impact. Identify the Sustainable Development Goals (SDG’s) aligned with. |
| --- |

**CHAPTER TWO: MARKETING PLAN**

FILL IN THE INFORMATION BELOW TO PREPARE YOUR MARKETING PLAN

| **Market Analysis:*** Import the information from your market analysis conducted during market research to this page.
* State the niche market you intend to serve
* State the size of the market (volume and value, where possible)
* State the segments of the market – the different customer groups
* State the growth potentials of the market

**Distribution Channels:** State the channels through which you will get the products/services to the customers: online market place (on the Internet or any other electronic means), department stores/supermarkets, distributors, wholesalers, sales agents, etc.* State various mediums through which customers can access your products/services. Do you deliver or offer service to customers at your office or at customers’ location?
* State if the services of delivery units will be required

**Opportunity:** what are the opportunities in this industry? Is it low competition? Are you enjoying monopoly in your location, is there a high market demand? etc.**Target market:** who are your target customers, list them according class, age, gender, location, etc. **Competition:*** State your major competitors
* Describe their product and service offers.
* State their competitive advantages or disadvantages
* The customer segments they are focusing on

***Competitor Description***

| **Competitor** | **Location** | **Strengths** | **Weaknesses** |
| --- | --- | --- | --- |
| ***Competitor 1:*** |  |  |  |
| ***Competitor 2:*** |  |  |  |
| ***Competitor 3:*** |  |  |  |

**Competitive Advantage*** What will you do to achieve customer loyalty and ensure that your customers will always prefer your products or services?
* State your strengths and advantages over your competitors

**Pricing strategy**: * Describe the pricing strategy for your products/services and the assumptions you have made.

**Sales forecast and assumptions**; state your projected sales volume and revenue as well as the factors to be considered. Refer to sales forecast on the financial template for guide.**Marketing Strategy:*** State how you will promote your product or services eg. through trade fairs, TV talk shows and appearances, radio talk shows, strategic presentations, etc.
* State how you will make the customers aware of your product or service – be as specific as possible eg. through digital marketing, social media, company website, blogging, TV, radio, newsprint, etc.

**Promotion strategy:*** What incentives will you offer that will make target customers switch from current providers and patronize you? – discounts, credit facilities; and where possible, describe the effect of the incentives on your cash flow and profitability
* What type of discount policy are you introducing? What are your credit and payment policies?
* State how you ensure that credit customers (if any) will pay
 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |

**CHAPTER THREE: OPERATIONAL PLAN**

| **Description of location**; describe in detail your location or target location ie. Hub location etc.**Consumables/raw material needed**; list in table form the total raw material needed for production and their sources.* State material resources (such as raw materials, physical assets, human resources and other inputs) and how you obtain – by direct purchase, by suppliers, by buying agents, outsourcing, etc.
*

**MATERIAL/CONSUMABLES REQUIRED**

| **ITEMS** | **DESCRIPTION** | **UNIT PRICE** | **QUANTITY** | **TOTAL AMOUNT** |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

* State other key resources (including intangibles like certification or new knowledge) you require

**Capital equipment:** list the total capital equipment/machines needed for production or operations. **PLANT AND MACHINERY REQUIRED**

| **ITEMS** | **DESCRIPTION** | **UNIT PRICE** | **QUANTITY** | **TOTAL AMOUNT** |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**Operational processes** describe briefly in details, the steps or stages involve in producing your product or offering your service.**Legal requirements** State the patents and permits/licenses you require to operate**Pre-operation/expansion expenses** these the total expenses to be incurred before operation or expansion of the business. List out all the projected expenses and the amount involve.**Operating expenses:** these are the expenses incurred on the day to day running of the business. **NB. Please refer to indirect costs in the business plan financial template** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |

**CHAPTER FOUR: ORGANIZATIONAL AND MANAGEMENT PLAN**

| **Ownership of the business:** describe the legal structure of the business. i.e., sole proprietorship, partnership (agreements if any), limited liability company etc. **Key management staff/ support personnel:** who are or would be your management team or support personnel (outsourcing team/free lancers etc.)? What are their qualifications, experience and roles? Include a brief profile of the founder(s), including their educational qualification, industry track records etc.List each office, and their functions |
| --- |

**Organizational Structure**: to show the coordination and relationship lines between and within functions. Edit as appropriate.

**ORGANOGRAM**



**CHAPTER FIVE: FINANCIAL PLAN**

| **Financial Assumptions;** State the assumptions or basis on which you made your projections. What is the inflation rate, selling price/service price, interest rate, tax rate, revenue growth rate, cost of sales to revenue, net profit to revenue rate, net profit growth rate, etc.?**Star-up Capital Estimate**Provide a list of all the expenditure that you will incur for the business to commence**Financing;**Highlight what will be sources of the finance: personal savings, loan, grants, equity financing, etc. If loan, provide the loan information: loan tenure, interest rate, moratorium, etc.**Revenue Projections;*** State the products and services from which you will derive revenue - your revenue streams
* State the way you will price them
* State the estimated volumes of products and services to be sold for 3 yrs. – year 1, year 2 and year 3

Determine the revenue projections for the for 1 to 3 years**Financial projections;** this includes sales forecast, income statement account/ income statement, cash flow, balance sheet, etc. see financial |
| --- |

**CHAPTER SIX**: **BUSINESS RISK AND MITIGATION** (ASSIGNMENT)

 List all potential risks and ways of mitigating them.

**SWOT analysis:** this stands for your Strength, Weaknesses, Opportunities and Threats. State your area of strength – skills/expertise, financial resources and unique selling point. Also state any existing patents, intellectual property, partnerships, collaborations and technical support you currently have or will soon secure as your strengths. State any awards and recognitions achieved that can make your brand stronger.

State weaknesses internally and even externally – such as new untested product, weak brand, low level of adoption by target market, inadequate funding, etc.

State the opportunities in the business environment that will assist the performance and growth of your business.

State the threats/challenges you do not have control over which you will have to deal with.

In summary, state how you will enhance your strengths and use it in your competitive advantage

# **Appendices**

Include relevant document that will support your business plan in this page

Business canvas model (Hilda)

Financial canvas model (Hilda)

# BUSINESS CANVAS MODEL

Description: A strategic management template for startups used for developing the business model. It can double up as a simplified business plan document.

|   |   | *Designed for:* | *Designed by:* | *Date:* | *Version:* |
| --- | --- | --- | --- | --- | --- |
| **Business Model Canvas** |   |   |   |   |   |   |   |
|   |   |   |   |   |
| **Key Partners** | **Key Activities** | **Value Propositions** | **Customer Relationships** | **Customer Segments** |
| Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform? MOTIVATIONS FOR PARTNERSHIPS: Optimization and economy, Reduction of risk and uncertainty, Acquisition of particular resources and activities  | What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams? CATEGORIES:Production, Problem Solving, Platform/Network  | What value do we deliver to the customer? Which one of our customer’s problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying? CHARACTERISTICS: Newness, Performance, Customization, “Getting the Job Done”, Design, Brand/Status, Price, Cost Reduction, Risk Reduction, Accessibility, Convenience/Usability  | What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?  | For whom are we creating value? Who are our most important customers? Is our customer base a Mass Market, Niche Market, Segmented, Diversified, Multi-sided Platform  |
| **Key Resources** | **Channels** |
| What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships Revenue Streams? TYPES OF RESOURCES: Physical, Intellectual (brand patents, copyrights, data), Human, Financial  | Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?  |
| **Cost Structure** | **Revenue Streams** |
| What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive? IS YOUR BUSINESS MORE: Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing), Value Driven (focused on value creation, premium value proposition). SAMPLE CHARACTERISTICS: Fixed Costs (salaries, rents, utilities), Variable costs, Economies of scale, Economies of scope | For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues? TYPES: Asset sale, Usage fee, Subscription Fees, Lending/Renting/Leasing, Licensing, Brokerage fees, AdvertisingFIXED PRICING: List Price, Product feature dependent, Customer segment dependent, Volume dependentDYNAMIC PRICING: Negotiation (bargaining), Yield Management, Real-time-Market |
| Designed by: The Business Model Foundry ([www.businessmodelgeneration.com/canvas](http://www.businessmodelgeneration.com/canvas)). Word implementation by: Neos Chronos Limited ([https://neoschronos.com](https://neoschronos.com/)). License: [CC BY-SA 3.0](https://creativecommons.org/licenses/by-sa/3.0/) |
|  |  |  |  |  |  |  |  |  |  |  |  |

# FINANCIAL CANVAS MODEL

Below is a strategic business canvas that is customized for early stage fundraising. This can also double up as a fundraising roadmap strategy canvas.

| **Planning** | **Key activities** | **Outreach**  | **Resources** |
| --- | --- | --- | --- |
| -Why does the venture want to fundraise?-What are the objectives for fundraising?-What will the funds will be used for?- What are the key milestones and KPIs?-What is the fundraising roadmap?-How will you define success? | -Market research to understand the sector/industry opportunity and market size-Map out Investors investing in that sector/industry and type of investors-Business SWOT analysis-Develop financial model & budget- Pitch deck development | -Map out what approaches and channels to reach out to or engage investors?-Design a communication plan | -How much investment do you need?-Who do you need to help in the fundraising process? (internal and externa support)-Timelines for fundraising-Who is responsible for this process? |