



BUSINESS 07

Business plan

An essential document to present your project

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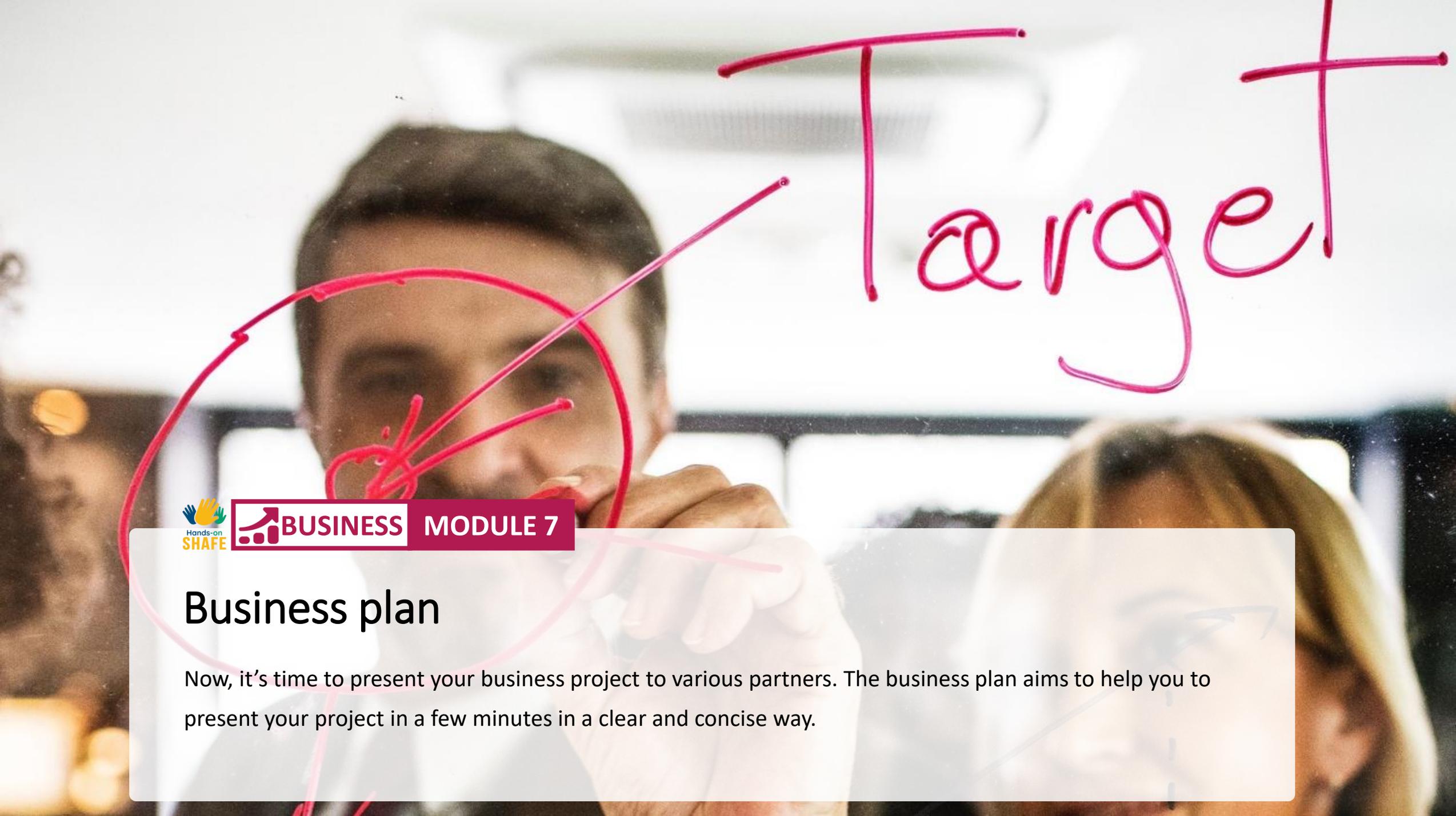
Warsaw University
of Technology



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Target



BUSINESS

MODULE 7

Business plan

Now, it's time to present your business project to various partners. The business plan aims to help you to present your project in a few minutes in a clear and concise way.

What will you learn in this module

- 1 What a business plan is.
- 2 Reasons why you should start your business plan.
- 3 How to make your business plan.
- 4 Basic advice on writing a business plan.



Chapters in this module

1

What is a business plan?

2

Why you should make a business plan

3

Make your business plan

4

Basic advice on writing a business plan



BUSINESS | MODULE 7 | CHAPTER 1

What is a business plan?

Before you get involved in the adventure of writing a business plan, it is essential to understand what we are talking about.

What will you learn in this chapter

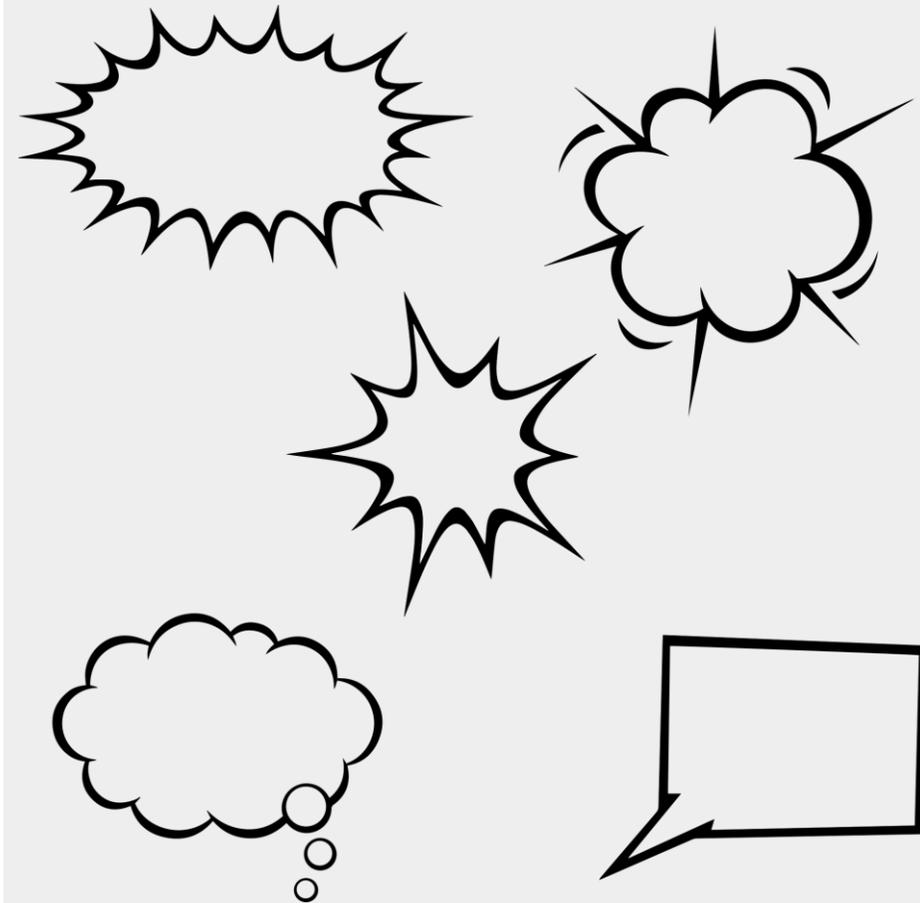
- 1 | What a business plan is.



What is a business plan?

The business plan is one of your company's showcases to various partners: banks, investors, partners and many others.

Let's get into more details in this chapter.



What is a business plan?

The business plan is a written document that presents the entrepreneur, the business project, and the business's economic and financial model.

In other words, this document explains what the business project is, as well as why and how it is profitable.

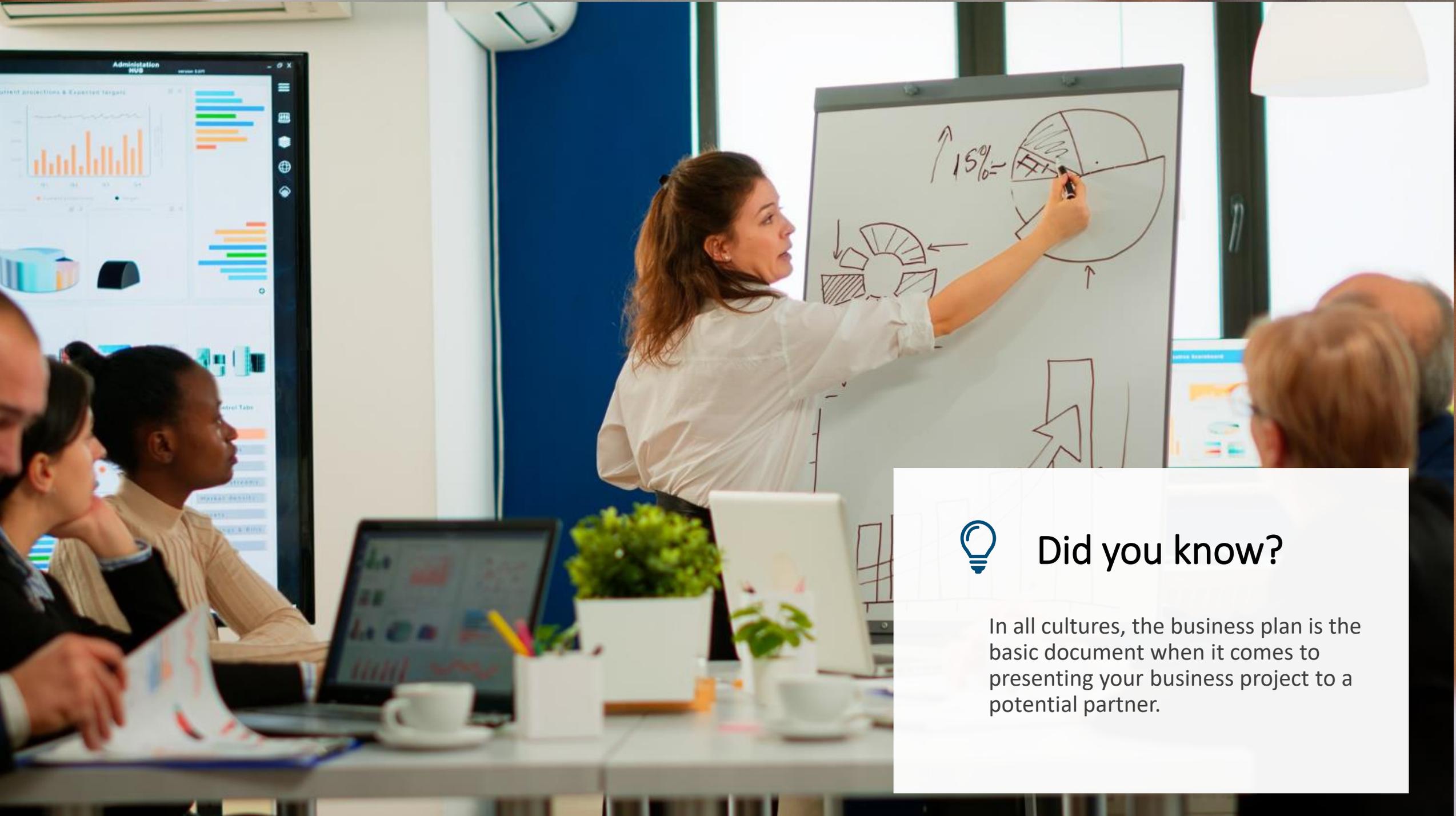
Apart from presenting your business, the business plan aims to convince the reader about the financial projections, the potential growth and the sustainability of your business.

The business plan is generally divided into two parts:

- A presentation of the project, as well as the business model;
- A financial projection of the project.

This is why the business plan is one of the last steps in the creation of a business. Simply because it summarizes all the steps you have taken up to now.

In fact, this document must synthesize, in 10-15 pages, several months of project construction.



Did you know?

In all cultures, the business plan is the basic document when it comes to presenting your business project to a potential partner.

Chapter summary

1

The business plan is a written document that presents clearly and concisely all aspects of your business.

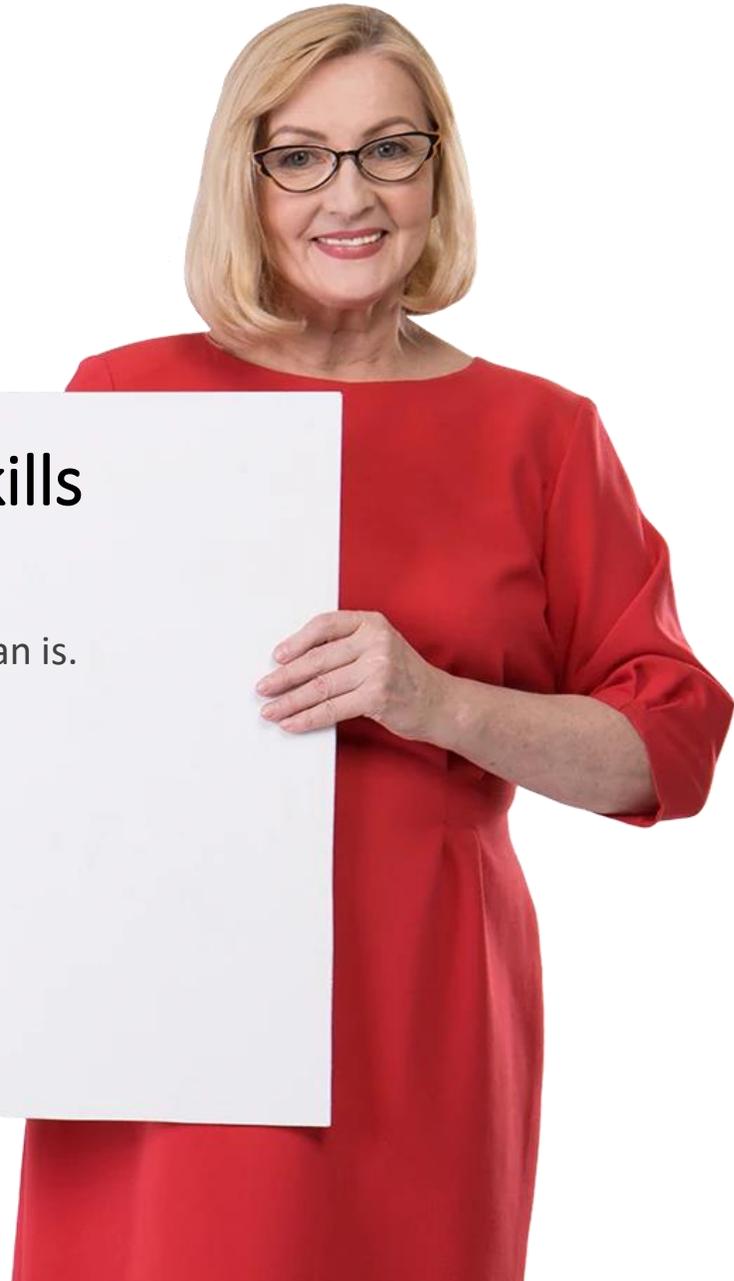
Chapter completed!

Congratulations! You have successfully completed this chapter!

Summary of acquired skills

1

You know what a business plan is.



What is next?

Now you can either repeat this chapter or follow our study recommendation by clicking on one of the buttons below:

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BUSINESS

MODULE 7

CHAPTER 2

Why you should make a business plan

Making a business plan is not an easy exercise. To motivate yourself to work on it, let's talk about its relevance.

What will you learn in this chapter

- 1 Why you should work on your business plan before launching your activity.



Different situations where your business plan is important

Many situations might require you to develop a business plan.

Let's take a closer look at some of the situations you may encounter.



Bank

If you are applying for a bank loan, the first thing your bank might ask about is your business plan.

Before going into details by asking you questions about your business project, the banker will read your business plan in order to have an overall view of the project.

After having carefully read and analysed your business plan, the banker will ask you to detail certain points during your interview.

In fact, your business plan is, in a way, the equivalent for a banker of your curriculum vitae for a recruiter.



Business partners

If you want to convince other people to join you in the company, your business plan, as well as yourself, must prove seriousness and professionalism.

Therefore, the first thing to do is to provide them with a clear and concise business plan. They will study it and, if they are convinced, they will come back to you for more information.

The business plan is often a prelude to more engaging discussions.



Business incubator

Are you perhaps interested in joining a business incubator?

A business incubator is a structure, like an association, that helps start-up companies and individual entrepreneurs to assess the relevance of their projects and to develop their businesses by providing a fullscale range of services, like specific training, management advice or administrative support for example.

Before supporting you in the creation and the development of your business, such a structure must first analyse the viability of your project.

Incubators have limited hosting capacity. If they have a selection to do, it will be based, in part, on the reading of the business plan and the analyse of the viability.



Suppliers

Suppliers of goods have limited quantities. If the demand is higher than their capacity to supply, they can play on the prices, of course, but they can also make a selection of their best customers.

Customers with a better potential for sustainability and long-lasting businesses stand out more easily from the crowd.

Highlighting the potential growth of your activity in your business plan is a true asset.



Chapter summary

1

Many situations may require the presentation of a clearer and concise business plan.

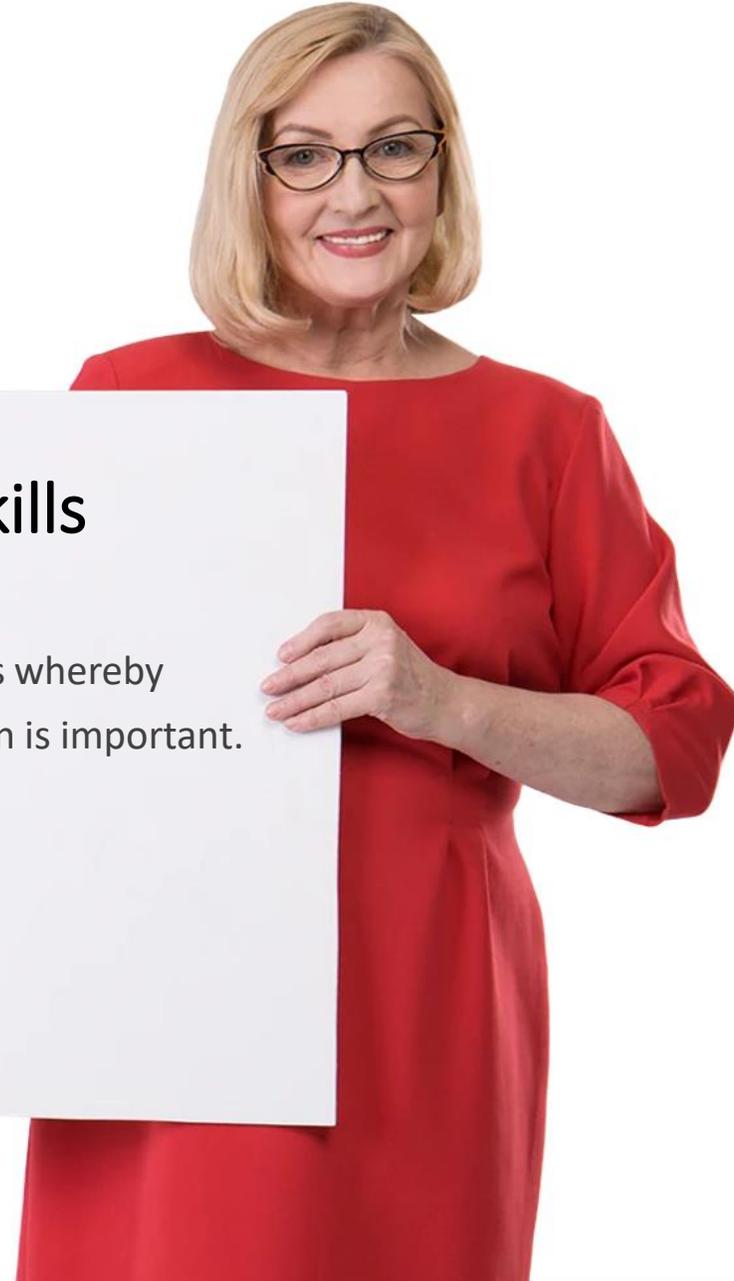
Chapter completed!

Congratulations! You have successfully completed this chapter!

Summary of acquired skills

1

You know different situations whereby presenting your business plan is important.



What is next?

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Make your business plan

Now it is time to get more concrete and learn how to make a business plan.

What will you learn in this chapter

- 1 | How to make a business plan.



Make your business plan

A business plan is often broken down into six parts. We are going to study each of its parts to help you to realize, step by step, your business plan.



The first part: YOU

You are the captain of the ship. The future of the company depends on you, and particularly your ability to manage a business. Before we know more about your company, we need to know more about you.



Your introduction

Your introduction generally includes a presentation of:

- Your qualifications;
- Your professional experiences;
- How your idea came about;
- Your motivations to run a business;
- Your strengths and weaknesses to run this type of business.



Your business partners

Do you work with partners? Are they just investors or do they actually cooperate with the company? You should provide details on them and how they are involved in the business.



Your employee team

You must also present your team of employees. You do not have to present them individually, but rather describe the number of employees, the monthly working hours that they do, and to which type of jobs and tasks they are assigned.

In your business plan, you need to be precise about the general organization of your human resources.



The second part: The business project

At this stage of the business model, potential partners know you better. It's time to provide them with information about the business.



Your activity

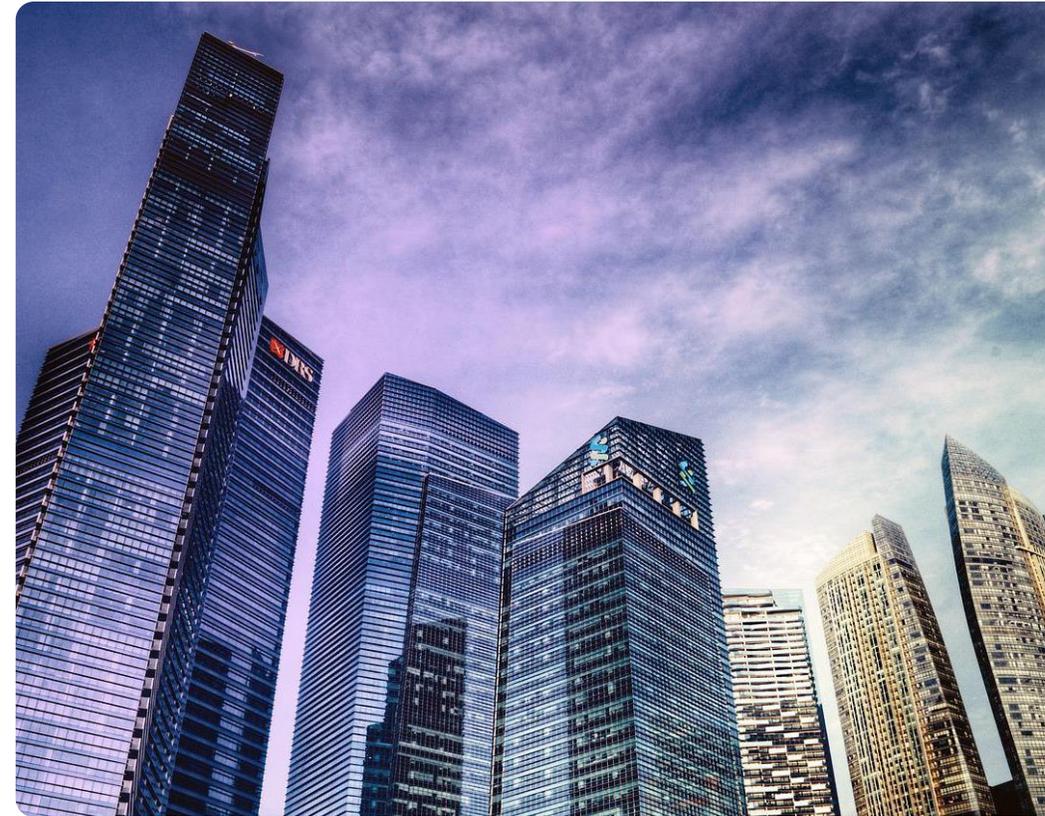
What is your core activity? What do you provide and how are you doing it?

The purpose of this section is to provide details on the characteristics of your offer, the products and services you sell, and the way you do it.



The third part: The business environment

A project is nothing without its environment. In fact, we often evaluate the relevance of a project in relation to its environment's characteristics. The analysis of the environment of your business is a very important step in your business plan.



Regulations

Is your activity subject to any particular regulatory constraints? Do you have to justify a specific qualification to practice this activity? Do you have to apply particular hygiene and safety standards?

In this part, you must show that you know the rules you will have to follow.

Knowing and following the mandatory rules is a guarantee of sustainability and peace of mind.



Context

What are the market trends? Is the market you are operating in growing or shrinking? What opportunities does this market offer? Which products and services are successful? Which ones are not or no longer successful?

Knowing the context of a market ensures that you start with the right information to develop your business.

Focus on the economic context, the political context, and the social context. In fact, a market is often ruled by these three types of contexts which are interdependent.



Target market

Where will you work? At the local level? Regional level? National level? How far from your work will you travel to sell your goods and services?

Your trading area determines the number of customers you could potentially reach. Of course, the larger it is, the more potential customers you tend to reach.



Customers

What clientele are you targeting? What are their characteristics? Their expectations? Their needs? Their consumption habits?

Knowing your customers is crucial to the success of your business because after all, your business only exists to serve them.

A business needs customers in order to survive.



Competitors

Who are your competitors? What prices do they charge? What geographical area do they cover? What are their business models? What are their marketing strategies?

One of the keys to success is to differentiate yourself from your competitors.

How can you claim to do better if you don't know them well enough? Show that you know them and you're better able to fit the market's needs and expectations.



Suppliers

What are their prices? What are their delivery terms? What after-sales service do they provide?

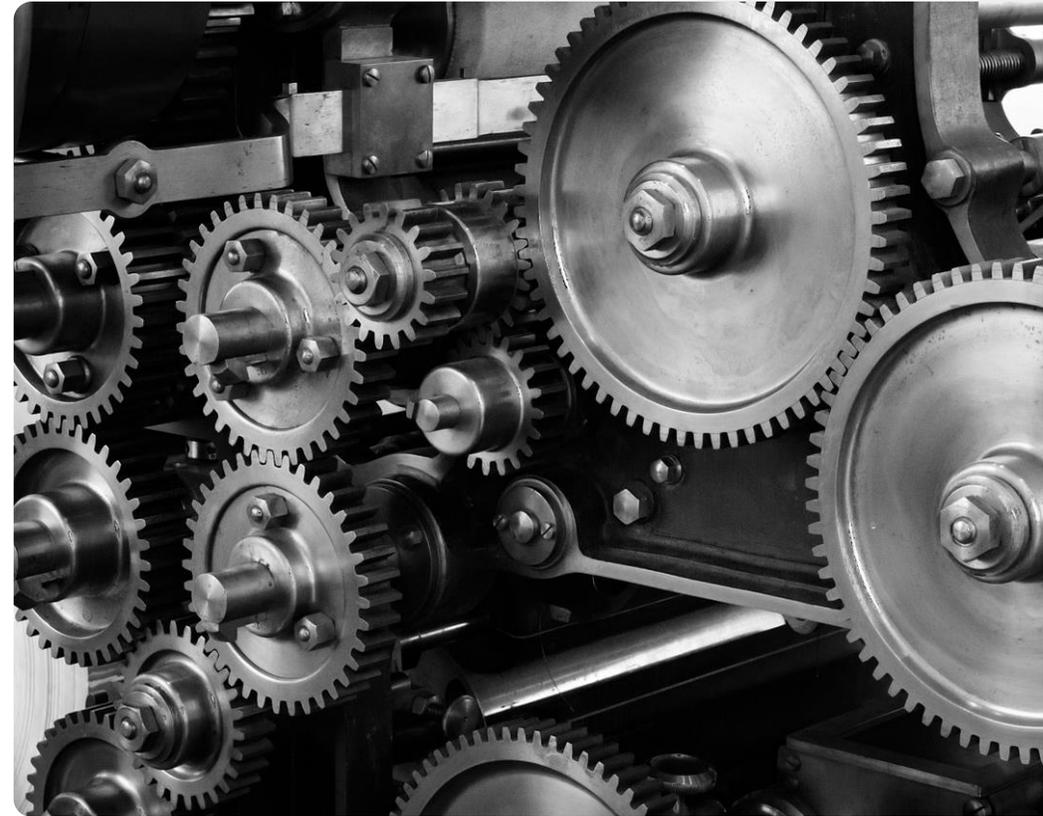
Without suppliers, there are no goods. Without any goods, there is no turnover.

Show that you know your potential suppliers and how to work in trust with them.



The fourth part: Your strategy

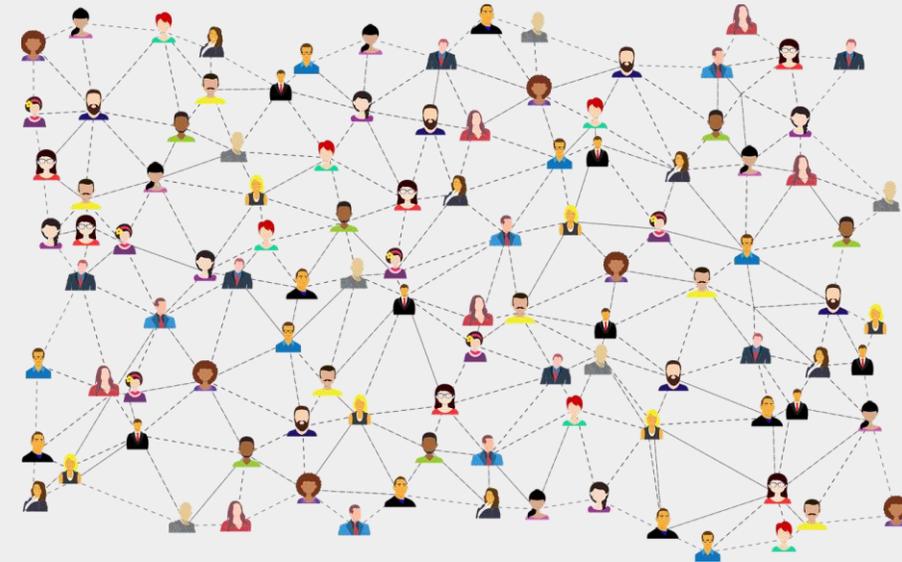
Once you have shown that you know your market, it is time to present your strategy to also experience success in this market.



Commercial means

What are your subscribers? What do you plan in terms of advertising? In terms of sales promotion? Do you have a good professional network to benefit from word of mouth?

You must convince people of your abilities to develop your sales. For example, through identifying relevant sales channels.



Material means

What equipment do you have to invest in? Do you need any premises? Do you want to rent or buy? Do you need to invest in specific machines?

In this part, you are invited to show that you have planned well what you need to produce and sell.



Humans means

What skills are needed to develop your business?
Do you need to recruit staff? Do you plan to subcontract certain tasks? How will the different daily tasks be divided among your employees?

Human resources are the productive engine of your company. Neglecting them is a major obstacle to convincing people of the relevance of your project.



Financial means

Are you able to provide personal financing to the company? What other sources of financing do you plan to reach? Bank financing? Public aids and subsidies? Government grants?

Without any funding, there is no project. You need to show that you have not neglected this part. For example, through identifying financial structures or partners.



The fifth part: Financial forecasts

In this section, you are simply asked to present the financial forecasts you worked on in module BUSINESS 06 “Financial forecasts”.

BUSINESS



Financing plan

Please, return to the module BUSINESS 06 “Financial forecasts” to refresh your memory about what a financing plan is.

BUSINESS



Cash flow projections

Please, return to the module BUSINESS 06 “Financial forecasts” to refresh your memory about what cash flow budget is.

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Profit and loss account

Please, return to in the module BUSINESS 06

“Financial forecasts” to refresh your memory about what a profit and loss account is.

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Sixth part: legal, fiscal, and social environment

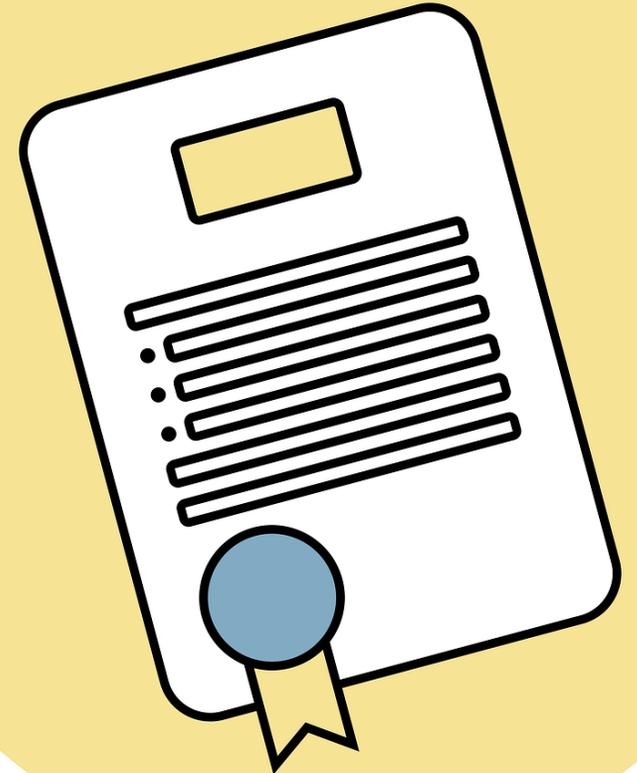
In this last part, you must present the legal, fiscal, and social standards to which your company will be subject.



Legal standards

What will your legal status be? What will the distribution of shares be between the associated partners? Why did you choose this type of legal status for your company?

The objective of this part is to show that your legal status is adapted to the characteristics of the business you carry out.



Fiscal standards

What will your tax system be? What types of taxes will your company be subject to? What exemptions will you benefit from?

You must show that you understand the tax system to which you will be subject.



TAX

Social standards

What will your social protection regime be? What will be your health insurance fund? Your retirement fund?

Social protection is a guarantee of your health and, therefore, that of your company. Make sure you don't overlook it.



Summary of a business plan

1 – Presentation of the team <i>(Around 2-3 pages)</i>	A – You: who you are B – Your business partners	C – Your team of employees
2 – Presentation of the business project <i>(Around 2-3 pages)</i>	A – Your offer: products & services sold	
3 – Your business environment <i>(Around 4-5 pages)</i>	A – Regulations B – Economic context C – Working area	D – Customers E – Competitors F – Suppliers
4 – Your means <i>(Around 2-3 pages)</i>	A – Commercial B – Material	C – Human D – Financial
5 – Financial forecasts <i>(3 pages)</i>	A – Financing plan B – Cash flow budget	C – Profit and loss account
6 – Legal, fiscal and social aspects <i>(Around 1-2 pages)</i>	A – Legal aspects B – Fiscal aspects	C – Social aspects

A total of 13 to 20 pages as a maximum

No part should be forgotten or rushed

Chapter summary

- 1** There are generally 6 parts in a complete business plan.

- 2** All parts are equally important and must be consistent with each other.

- 3** Don't overlook any part and take time to be precise.

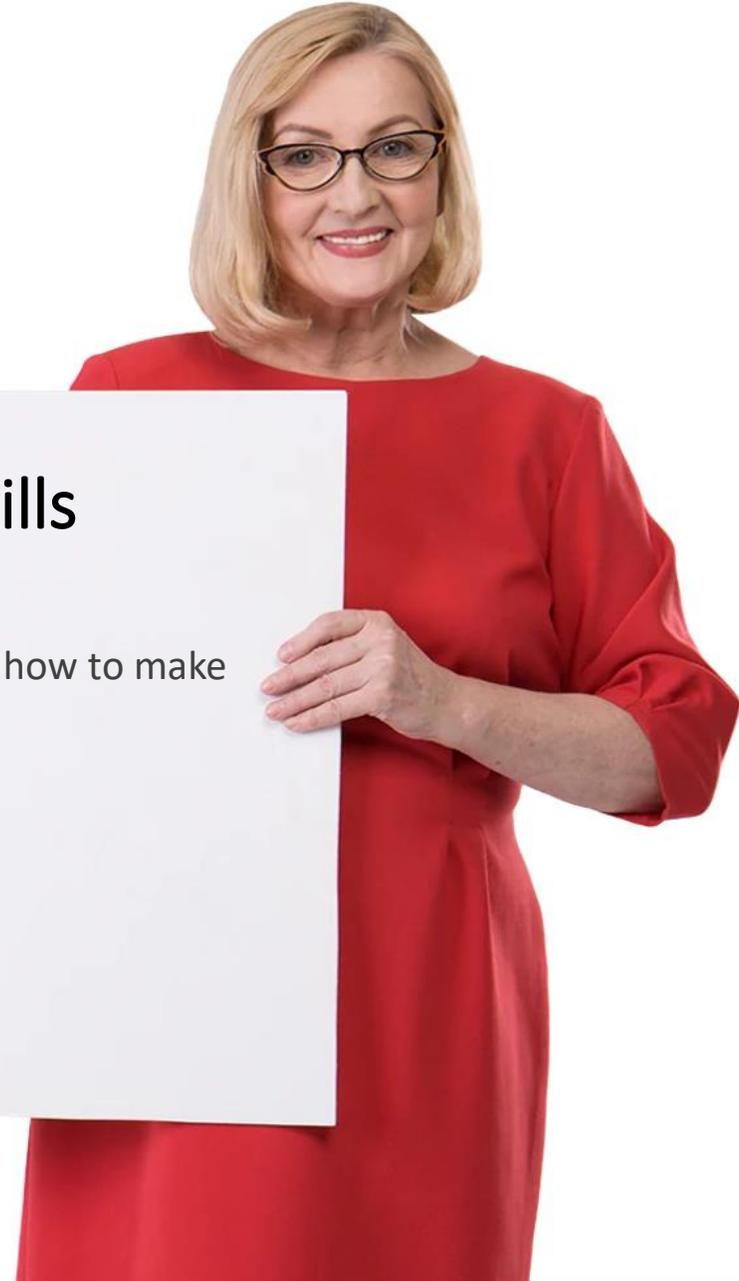
Chapter completed!

Congratulations! You have successfully completed this chapter!

Summary of acquired skills

1

You have a better insight into how to make a business plan.



What is next?

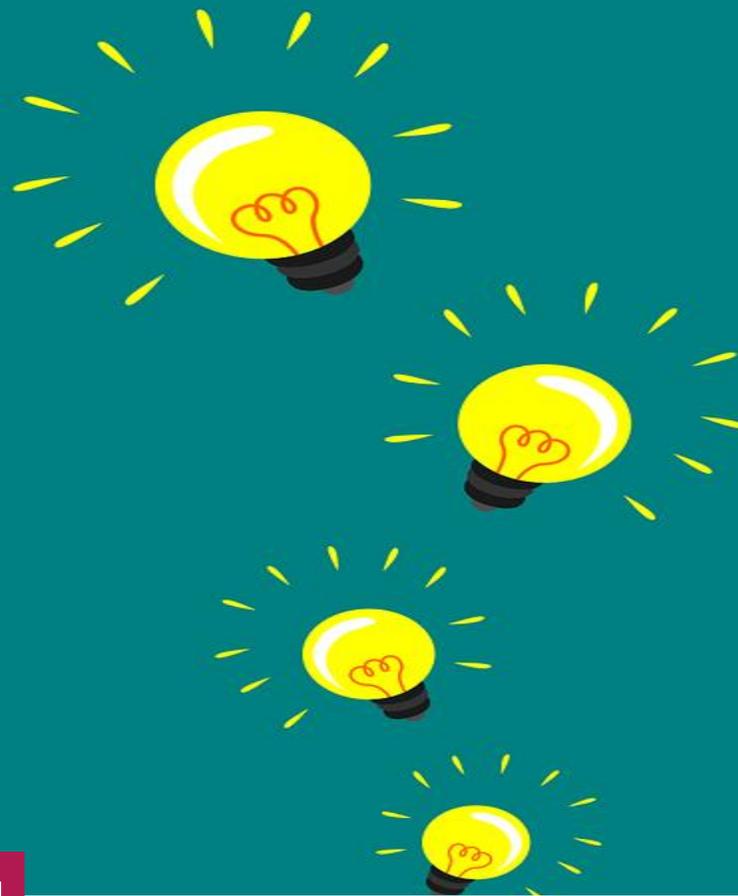
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Basic advice on writing a business plan

A few tips can make all the difference in making a good business plan.



Process

1

2

3



Be meticulous

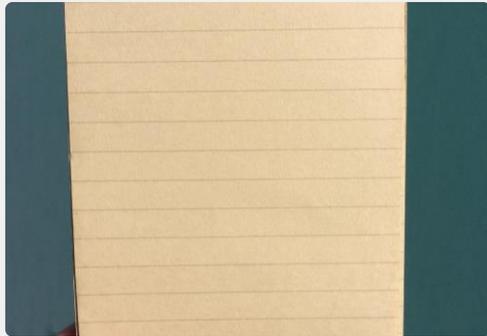
Be sure the form of your business plan is impeccable. No spelling mistakes and a coherent style for graphics (fonts, colours, titles, subtitles, etc.). Whether it is neat or not is the first thing your evaluators will notice.

Process

1

2

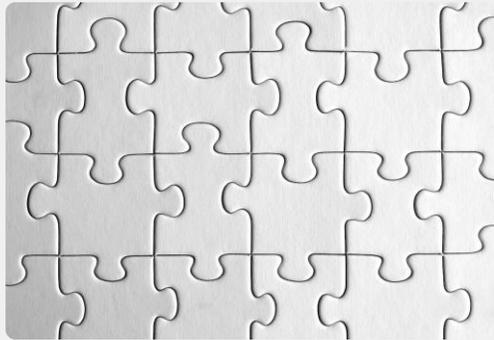
3



Be concise

A business plan is not a novel. It must be read quickly, in a few minutes. Don't overdo it. Keep it short and get to the most important points. In general, a business plan is between 10 and 20 pages long.

Process



Be complete

Being concise does not mean being incomplete. On the contrary, the challenge of the business plan is to keep it short, while also giving as much information as possible. Try to be exhaustive in your argumentation.

Process



Be clear

Be understood by everyone. There is no need to use very technical terms. Moreover, the texts must be short, well-spaced, and easy to read. Avoid headaches for your evaluators.

Process



Be precise

If you use statistics and other references, check your sources of information carefully. An approximation is never good. Use appendices to provide supporting documentation if needed.

Process



Be persuasive

Don't forget that the purpose of your business plan is to convince your interlocutors of the relevance of your business. Be convincing about the growth potential of your business.



Did you know?

There is no official standard for writing a business plan.

A business plan is not a thesis. Be free to use the form that best suits you.

If you are visual, feel free to use diagrams and illustrations.

Chapter summary

1

Giving as much information as possible in a minimum of pages is the secret of a good business plan.

2

Precision and clarity are key to a successful business plan.

3

Be free to make the business plan in a way that suits you best.

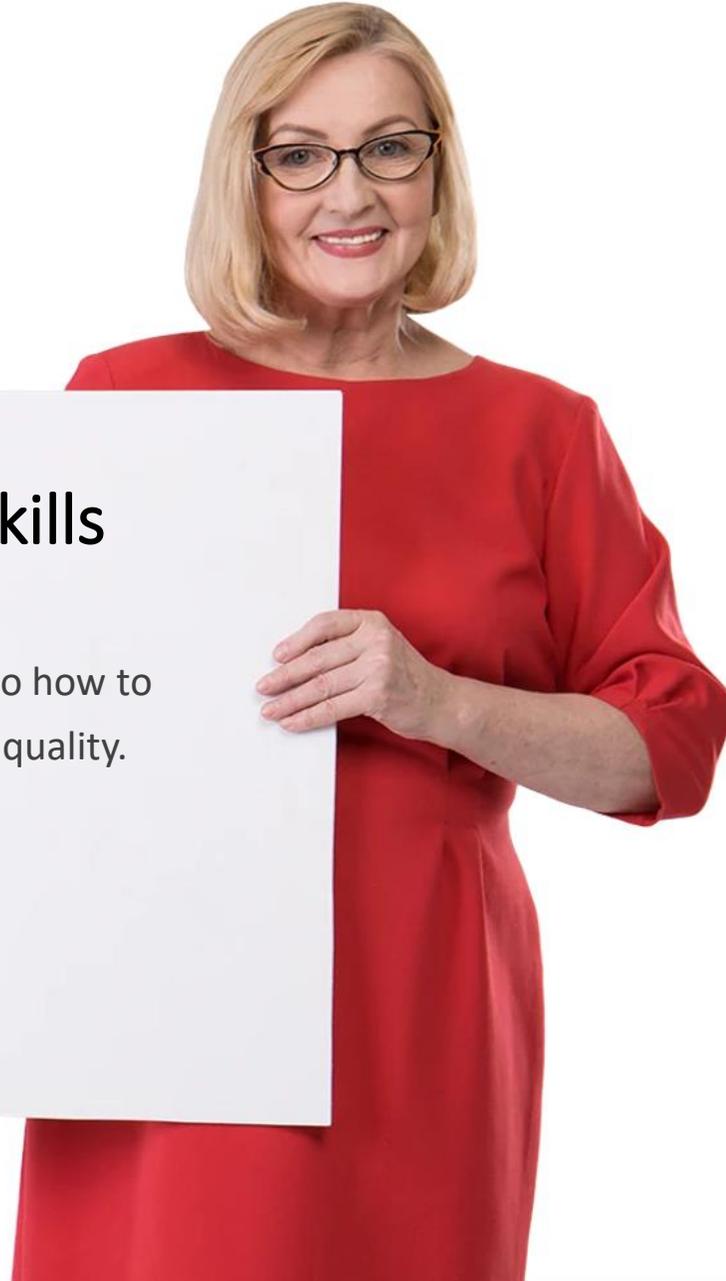
Chapter completed!

Congratulations! You have successfully completed this chapter!

Summary of acquired skills

1

You have a better insight into how to improve your business plan quality.



What is next?

Now you can either repeat this chapter or follow our study recommendation by clicking on one of the buttons below:

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Conclusions

1

The business plan is very important to present, in a written form, your company to partners.

2

Clarity, precision and conciseness are the keywords of a good business plan.

3

Take the time to make your business plan, it is a time investment to increase your business opportunities.

Quiz

Click the **Quiz** button to edit this object

 **BUSINESS** **MODULE 7** Business plan

A business plan is a written document you can share with your partners.

- True
- False

Module summary

1

You learnt what a business plan is.

2

You learnt why you should create a business plan.

3

You learnt how to create your business plan and got useful advice for that.

Module completed!

Congratulations! You have successfully completed this module!

Summary of acquired skills

- 1 Being able to make a proper business plan.



What is next?

Now you can either repeat this module or follow our study recommendation by clicking on one of the buttons below:

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