**ERASMUS+ Strategic Partnership: Social Entrepreneurship for Local Change**

**Social Enterprise Business Plan**

**Case of: xxx**

**Working Group: xxxx**

**Group members: Emails:**

**Xxx xxx**

**Xxx xxx**

**Xxx xxx**

**Xxx xxx**

etc.

**This assignment is made up of two parts:**

**Part One – Group work – All students (Pass/Fail)**

1. Executive summary
   1. Opportunity
   2. Expectations
2. Opportunity

2.1 Problem and solution

2.2 Target market

2.3 Competition

1. Execution

3.1 Marketing & sales

3.2 Operations

3.3 Milestones & metrics

1. Management plan

4.1 Social enterprise overview

4.2 Team

1. Financial plan

5.1 Forecasts

5.2 Financing

**Part Two – Individual work – All students (Graded)**

1. Operations (compulsory)
2. Management plan (optional, for “very good-” up to “very good”)
3. Partner and stakeholder network (compulsory)
4. Marketing plan (optional, for “very good-” up to “very good”)
5. Financial plan (compulsory)
6. Social/ environmental impact (compulsory)

***Masters students only:***

1. Social and ethical values (optional, for “very good-” up to “very good”)
2. Risk management (optional, for “very good-” up to “very good”)

**Part One – Group work**

**All students**

**(Pass/Fail)**

1. **Executive summary**
   1. **Opportunity**:

### *Problem*: Describe very briefly why your social enterprise needs to exist. What problem do you solve for your customers/ beneficiaries?

### *Solution*: Briefly summarize what your social enterprise does.

### *Market*: Describe your target customer or market segments, both commercial and social customers.

### *Competition*: Summarize your key competition. Who will your customers also consider?

### *Team*: Write a brief overview of you and your team. Why are you the right people to build this social enterprise?

* 1. **Expectations**

### *Forecast*: Write a brief overview of your financial targets. How much do you plan to sell in the next year? What are your long-term sales goals?

### *Financial highlights by year*: Insert a chart of your key financial metrics for 3 years (revenues, expenses/costs, net surplus, net loss).

### *Financing needed*: Include a brief summary of what you are looking for.

# **Opportunity**

## 

## **Problem and solution**

### *Problem that is worth solving*: Write details about the problem you are solving. What do your customers need? Which customer/ market needs is your social enterprise planning to satisfy? How is your social enterprise helping to solve your customers` core (real) problem(s)? Describe the scale of the problem and whether the problem is growing.

### *Solution*: Provide additional detail about your product(s) or service(s). What is unique and special about your social enterprise that’s going to set it apart from the competition? Describe why customers will want to buy from you. Describe what the benefits of your product(s) or service(s) will be. In what ways do you expect that your customers might use your product(s) or service(s) and how might it address their problem (how would it help them)?

## **Target market**

### *Market size & segments*: Describe your key customers and other beneficiaries – who they are and what their key attributes are. What an average customer currently does to overcome the problem? If your social enterprise is targeting multiple customer groups (also called ‘segments’), describe each group. If you can, include details about how many people are in each segment and how large the total market is and whether it is growing.

## **Competition**

### *Current alternatives*: Describe your current competition (who they are and how many). What are the current solutions in the market? What products and services are people using instead of yours?

### *Your advantages*: Explain why your product(s) or service(s) are better than the others. Also, be sure to describe any competitive advantages you may have.

1. **Execution**

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## **Marketing & sales**

### *Marketing plan*: Explain how you plan on getting the word out about your product(s) to your target market(s). Describe the strategy for communication and distribution which you will use to reach your customers and other beneficiary segments.

### *Sales plan*: Your sales plan should explain how you convert people who express interest in your product or service into paying customers. What will your customer’s values be and how you can ensure that you satisfy these values and retain your customers?

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## **Operations**

### *Locations and facilities*: Describe your social enterprise’s physical locations. How much space do you have available, and how well will it meet your current and future needs?

*Key activities*: Describe what key activities you need to undertake in order to deliver your product(s) or service(s).

## **Milestones & metrics**

### *Milestones*: List your key milestones and the dates that you hope to accomplish them by.

### *Key Metrics*: Explain which performance metrics are most important for understanding how your social enterprise is doing. What does success mean for you?

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# **Management plan**

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## **Social enterprise overview**

## Specify who owns your social enterprise. If there are multiple owners/ founders, describe each of them and how much of an ownership stake they have. Also, identify your social enterprise’s legal structure.

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## **Team**

### *Management team*: List the members of the management team, including yourself. Describe each person’s skills and experience and what they will be doing for the social enterprise. Explain why this team are the right people to build and grow this social enterprise. Make sure to identify gaps in your team that you intend to fill over time.

### *Advisors*: Describe any mentors, investors, former professors, industry or subject-matter experts, knowledgeable friends or family members, small-business counselors, or others who can help you as a social enterprise owner/ founder.

1. **Financial plan**

## **Forecast**

### *Key assumptions*: Describe how you came up with the values in your financial forecast. Did you project your revenue based on past/ competitors’ results, market research, your estimation of how many people show interest in your social enterprise and what percentage of them might buy, or some other method? What kind of growth are you assuming? What are your key hires and notable expenses? What level of surplus do you expect to generate?

### *Revenue by month*: Include a chart that shows your projected revenue.

### *Expenses by month*: Include a chart that shows your projected expenses.

### *Net Profit/ Surplus (or Loss) by year*: Include a chart that shows your projected surplus or loss for three years.

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## **Financing**

### *Use of funds*: If your forecast includes loans, grants, donations, or other financing, explain what you plan do with that money.

### *Sources of funds*: Describe your financing plans. Describe how much finance you will need to raise in order to get your social enterprise started. Where will you get this from and in what form: donations, sponsorships, investments, grants, loans? Are you investing your own money in the social enterprise? What other types of funds — personal or loans, equity investments from others, etc. — do you expect to receive and when?

**Part Two – Individual work**

**All students**

**(Graded)**

**Name………………….**

**Working Group: xxxx**

1. **Operations** (compulsory)

*Key activities*: Describe in detail what key activities you need to undertake in order to deliver your product(s) or service(s). Describe what the social and ethical values of the social enterprise are, embedded into its aims and objectives.

### *Technology*: Describe any important software, hardware, or other information technology that you use now or plan to use later to operate your social enterprise. That might include a point-of-sale system to take payments, an e-commerce engine for your website, and so on.

### *Equipment and tools*: List any specialty equipment that you have or plan to acquire to do your work. (if any).

1. **Management plan** (optional, for “very good-” up to “very good”)

*Decision-making process*:Describe your social enterprise decision making process and rules and explain:

* How your proposed social and ethical values influence the day-to-day and long term management of your social enterprise;
* How transparent and open management would be implemented;
* What is your social enterprise income distribution rules and wage policy.

Provide an *organizational chart*. Outline what other key positions you will need to fill as the social enterprise grows and explain how your social enterprise will make sure it will have the necessary skills and other resources to respond to changes in the market.

1. **Partner and stakeholder network** (compulsory)

Describe who your key partners and key suppliers might be and explain how each would benefit from having a relationship with your social enterprise and how you will manage that relationship process. Give examples of key resources which your social enterprise might acquire from partners and key activities your partners would perform.

1. **Marketing plan** (optional, for “very good-” up to “very good”)

*Pricing*: Describe your pricing policy, compare your pricing with others in the market and demonstrate that yours is fair. Show how your pricing fits into the wider market.

*Promotion*: What ways of advertising or promoting will you use for your social enterprise?

*Channels*: Describe how you can persuade your customers to buy from you and not transfer to competitors.

1. **Financial plan** (compulsory)

*Financing needs*:Describe in detail how much finance you will need to start and run the social enterprise, where will you get this from and in what form (donations, sponsorships, investments, grants, loans).

*Financial statements*: Provide a summary of your financial statements. Calculate when you expect your social enterprise to achieve a surplus and give details of where you plan to invest your surpluses (profits).

### *Projected Profit & Loss*:

|  |  |  |  |
| --- | --- | --- | --- |
|  | FY2018 | FY2019 | FY2020 |
| Revenue |  |  |  |
|  |  |  |  |
| Direct Costs |  |  |  |
|  |  |  |  |
| Gross Margin |  |  |  |
| Gross Margin % |  |  |  |
| Operating Expenses |  |  |  |
| Salary |  |  |  |
| Employee Related Expenses |  |  |  |
| Total Operating Expenses |  |  |  |
|  |  |  |  |
| Operating Income |  |  |  |
|  |  |  |  |
| Interest Incurred |  |  |  |
| Depreciation and Amortization |  |  |  |
| Income Taxes |  |  |  |
| Total Expenses |  |  |  |
| Net Profit |  |  |  |
| Net Profit / Sales |  |  |  |

### *Projected Balance Sheet*:

|  |  |  |  |
| --- | --- | --- | --- |
|  | FY2018 | FY2019 | FY2020 |
| Cash |  |  |  |
| Accounts Receivable |  |  |  |
| Inventory |  |  |  |
| Other Current Assets |  |  |  |
| Total Current Assets |  |  |  |
|  |  |  |  |
| Long-Term Assets |  |  |  |
| Accumulated Depreciation |  |  |  |
| Total Long-Term Assets |  |  |  |
|  |  |  |  |
| Total Assets |  |  |  |
|  |  |  |  |
| Accounts Payable |  |  |  |
| Income Taxes Payable |  |  |  |
| Sales Taxes Payable |  |  |  |
| Short-Term Debt |  |  |  |
| Prepaid Revenue |  |  |  |
| Total Current Liabilities |  |  |  |
| Long-Term Debt |  |  |  |
|  |  |  |  |
| Total Liabilities |  |  |  |
|  |  |  |  |
| Paid-in Capital |  |  |  |
| Retained Earnings |  |  |  |
| Earnings |  |  |  |
| Total Owner's Equity |  |  |  |
|  |  |  |  |
| Total Liabilities & Equity |  |  |  |

### *Projected Cash Flow Statement*:

|  |  |  |  |
| --- | --- | --- | --- |
|  | FY2018 | FY2019 | FY2020 |
| Net Cash Flow from Operations |  |  |  |
| Net Profit |  |  |  |
| Depreciation and Amortization |  |  |  |
| Change in Accounts Receivable |  |  |  |
| Change in Inventory |  |  |  |
| Change in Accounts Payable |  |  |  |
| Change in Income Tax Payable |  |  |  |
| Change in Sales Tax Payable |  |  |  |
| Change in Prepaid Revenue |  |  |  |
| Net Cash Flow from Operations |  |  |  |
| Investing & Financing |  |  |  |
| Assets Purchased or Sold |  |  |  |
| Investments Received |  |  |  |
| Change in Long-Term Debt |  |  |  |
| Change in Short-Term Debt |  |  |  |
| Dividends & Distributions |  |  |  |
| Net Cash Flow from Investing & Financing |  |  |  |
| Cash at Beginning of Period |  |  |  |
| Net Change in Cash |  |  |  |
| Cash at End of Period |  |  |  |

1. **Social / environmental impact** (compulsory)

### How do you plan to measure performance and social/ environmental impact of your social enterprise? Explain which performance metrics are most important for understanding how your social enterprise is doing. What does success mean for you, and how will you know it when you see it?

**Masters students only**:

1. **Social and ethical values** (optional, for “very good-” up to “very good”)

How do these values differentiate the operations of social enterprises from purely commercial enterprises? Explain how social and ethical values can be integrated into the fabric and everyday working practices of all staff of a social enterprise and how this influences the ways in which social enterprises work and cooperate with: other companies, people in the value chain, and customers.

1. **Risk management** (optional, for “very good-” up to “very good”)

Reflect on your initial analysis of the market/ industry, and describe what other risks (internal and external) there are for your social enterprise. Evaluate the seriousness of these risks and describe how you would plan to mitigate those risks.