**Social/Commercial Enterprise Challenge Resolution – A Business Plan**

**Case of: xxx**

*The business plan template below is to be completed by either a group or an individual student. The assessment is comprised of a graded mark plus a qualitative feedback.*

*All students MUST complete sections 1 to 6; Master students MUST complete sections 7 and 8.*

**Please complete your business plan using this template:**

|  |
| --- |
| **Business Plan Title…….** |
| **Team (Group) name: ………. / Individual Student name…………..****Author(s): Email(s):****Xxx xxx****Xxx xxx** |

**The business plan has the following sections:**

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 Operations

3.2 Management plan

3.3 Marketing & sales

3.4 Milestones & metrics

1. Financial plan
	1. Financing
	2. Revenue model
2. Social/environmental/community impact
3. Partner and stakeholder network

Masters students only:

1. Social, ethical or community values
2. Risk management
3. **Executive summary**
	1. **Opportunity**:

### *Problem*: Describe very briefly what social/commercial/community challenge your enterprise plans to address and why. What problem will your enterprise solve for your customers/beneficiaries?

### *Solution*: Briefly summarize what your social/commercial enterprise does in this respect.

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

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

### *Company Team*: Write a brief overview of you and your company team. Why are you the right people to address this challenge and create this company?

* 1. **Expectations**

### *Forecast*: Write a brief overview of your social/commercial and financial targets. What are your short, medium and long-term (sales) goals?

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

*Social/commercial/environmental/community impact:* Include some key metrics you will use to measure success.

# **Opportunity**

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## **Problem and solution**

### *Problem that is worth solving*:

### Describe the problem you are solving:

### What the challenges are that the enterprise is facing and why.

### What your social/commercial/community enterprise needs are.

### What your customer/client/market needs are and which of these is your enterprise planning to satisfy.

### How your enterprise is helping to solve your customers` core (real) problem(s) or if your enterprise is addressing its own core problem(s) how this is being done now.

### 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, special and innovative about your social/commercial 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/clients might use your product(s) or service(s) and how might it address their problem (how would it help them)?

### Describe your unique solution which resolves the enterprise core problem. Explain what innovations you are introducing in your solution in the context of your location and market situation.

## **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 their problem(s)

### If your social/commercial 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).

### other current solutions in the market

### what products and services people are 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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## **Operations**

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

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

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

### *Value Chain:* Describe your value chain and explain how value is added throughout the life cycle of your product or service.

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

# **Management plan**

### *Management team*:

### Explain why your proposed team are the right people to grow this social/commercial enterprise.

### Describe how your enterprise will make sure it will have the necessary skills and other resources to respond to changes in the market.

### Make sure to identify:

### skills gaps which will be filled by training

### gaps in your team that you intend to fill later by recruiting more staff over time.

### *Advisors/sub-contract consultants*: Describe any mentors, investors, professors, industry or subject-matter experts, knowledgeable friends or family members, small-business counsellors, or others who can help you as enterprise owners/founders. Explain how they might help you be innovative and bring your product/service to market.

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

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

Provide an *organizational chart*.

Explain what other key positions you will need to fill as the enterprise grows and how you will make sure it will have the necessary skills and other resources to respond to changes in the market and further develop the product/service.

## **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.

### Describe how you can persuade your customers to buy from you and not transfer to competitors.

### *Sales plan*: Your sales plan should explain:

### how you will convert people who express interest in your product or service into paying customers.

### what you expect your customer’s values will be

### how you will ensure that you satisfy these values and retain your customers

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*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*: Describe which advertising or promotion you plan to use within your enterprise. Explain why you chose your proposed forms of advertising or promotion, what other forms of promotion would you use if these are inadequate.

## **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 enterprise is doing

### what success means for you (how you will know when success happens)

1. **Financial plan**

## **Financing**

### *Funding needs*: Describe in detail how much finance you will need to run the social/commercial enterprise, where will you get this from and in what form (savings, friends and relatives (share capital), donations, sponsorships, investments, grants, loans). What other types of funds — personal or loans, equity investments from others, etc. — do you expect to receive and when?

*Use of funds/cost structure*:

Explain:

1. what you plan to do with this money and how you will spend the cash.
2. What kind of growth you are assuming
3. What level of surplus you expect to generate

Notes:

* *Working capital* (things the social enterprise needs to go directly into what it sells): raw materials, factory heat, light and power, wages for factory workers etc.
* *Fixed assets* (things the social enterprise needs but are not intended for sale): buildings, vehicles, tools.
* *Administration costs* (things the social enterprise must pay for whether it trades or not): rent and rates, telephone bills, office staff salaries, stationery, other administration costs. Administration costs represent the money the enterprise has to spend just to exist, they are an expense and not an investment. They reduce the profit of the enterprise; if there were no profit, they would reduce the enterprise’s reserves.

**Financial plan (cost structure and sources of funding) – year 1**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Activity  | Task  | Cost  | Funding 1 | Funding 2 | Funding 3 | Total funding |
|   | 1 |   |   |   |  |   |
|   | 2 |   |   |   |  |   |
| Activity | 1 |   |   |   |  |   |
|   | 2 |   |   |   |  |   |

**Profit and Loss Statement – year 1**

|  |  |  |  |
| --- | --- | --- | --- |
| **Revenues** | **Amount** | **Costs** |  **Amount** |
| Sales |   | Costs of sales - total |   |
| Memberships |   | Materials |   |
| Donations |   | Wages |   |
| Other revenues |   | Factory overheads |   |
|   |   | Other costs of sales |   |
|   |   | Administrative costs |   |
| Net Profit/Loss (Revenues-Costs) |   |   |   |

## **Revenue Model**

*Revenue model*: What are your streams of revenues and when do you have revenue

**Liquidity plan – year 1**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Costs  | M1 | M2 | M3 | M4 | M5 | M6 …. |
| Activity  | Task  | Cost  | When do you have to pay your bills? |
|   | 1 |   |   |   |   |   |   |   |
|   | 2 |   |   |   |   |   |   |   |
| Activity | 1 |   |   |   |   |   |   |   |
|   | 2 |   |   |   |   |   |   |   |
|   |   | Sum | € | € | € | € | € | € |
| Funding (revenue streams) | M1 | M2 | M3 | M4 | M5 | M6 …. |
| Activity  | Task  | Amount  | When do you have revenues? |
|   | 1 |   |   |   |   |   |   |   |
|   | 2 |   |   |   |   |   |   |   |
| Activity | 1 |   |   |   |   |   |   |   |
|   | 2 |   |   |   |   |   |   |   |
|   |   | Sum | € | € | € | € | € | € |
| Liquidity | M1 | M2 | M3 | M4 | M5 | M6 ….. |
|   |   | Cash flow  | Is there enough money in each month? |
|   |   | Sum | € | € | € | € | € | € |

1. **Social/environmental/community impact**

### Explain:

### How you plan to measure performance and social/environmental/community impact of your social/commercial enterprise

### which performance metrics are most important for understanding this impact.

### What does success mean in terms of impact and how you will know it when it happens

1. **Partners and stakeholders**

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

**Masters students only**:

Master student name ………………….

1. **Social, ethical or community values**
2. Explain how these values differentiate you from the operations of other enterprises.

1. Explain how social, ethical or community values will be integrated into the fabric and everyday working practices of all staff of the enterprise and how this influences the ways in which values-based enterprises work and cooperate with: other companies, people in the value chain, and customers.
2. **Risk management**
3. Reflect on your initial analysis of the market/industry, and describe what other risks (internal and external) there are for your enterprise.
4. Evaluate the seriousness of these risks and explain how you would plan to mitigate those risks.