

# BUSINESS PLAN OUTLINE

Before realising your project, outline your business plan according to the following pattern:

## RESUME:

- The résumé is the last part to be drafted.
- A concise and convincing résumé.

## Content:

- The project: nature, subject matter, capacity, establishment, developers, leadership, shareholders, production techniques and resources.
- The market: The targeted market and the perspectives, competitive advantages, project justification.
- Technical and commercial assistance (if any): Quality of the possible association with a local or foreign company.
- Specific fiscal and financial privileges: transport wise, export wise, area of regional development, new developer ...
- Provisional cost and funding.
- The main financial results: provisional operation, provisional treasury, profitability.
- The general planning for the realisation of the project and for the operation kick off .

## I / THE PROJECT:

### 1.1 Project's nature and capacity:

- A detailed description of the products and services: How can the company have a competitive advantage over competition?
- Production capacity: Sales volume and market shares, justification, production evolution.
- Raw material and consumable: nature, quantity, quality, price, supply sources and availability.
- Consumption (packaging, subsidiary hardware ...): nature, availability, price...

### 1.2 Technical description:

- Technology: Nature, reason. Is it a well-established technology? Innovations, need for assistance.
- The process: A detailed description of the stages required in the manufacture process (manufacture methods, control, conditioning, packaging and dispatching of product).
- Investments:

- Intangible investments: license, know-how, engineering cost, research ...
- Land: location, area ... Why?
- Civil engineering and land use: Size and areas required for operation, storage, related buildings ..., type of constructions, purchase, rental, building, type of layouts.
- Installations and hardware: detailed list, usefulness and rationale behind a given choice, description and specification of the main components

### **Outlining and realization conditions:**

- Realisation outline: Stages, duration, date of entry into production.
- Market transfer: Generally, tenders within a regional framework for civil engineering and national and international consultations for installations and hardware (in case of in-kind contributions, demonstrate that prices are reasonable, expert appraisal).

## **II / THE MARKET**

### **2.1 The sector:**

- Market size: Supply and demand processing, export and import processing, effective demand for the production of the project.
- Competition: main competitors' names and market shares.
- Market's specific features: brands, import products or local manufacture.
- Market's structure: How the market is supplied. Distribution network.
- Overview of the international market (for products designed for export).
- Growth and perspectives of the sector's development.

### **2.2 The comprehensive marketing strategy:**

- Targeted market, methods to be used to break through the market and to identify the first targeted clients, the way of approaching them in order to sell the product.
- Sales argument, quality, delivery price, after-sale service.
- Price policy, competition's price, cost price, margin, appropriate price.
- Sales and distribution tactics: Distribution circuits, sales points, access to the sales points on your wish list, cost incurred by the distribution method selected.
- Promotion and advertisement: Advertising campaign, brochures... the budget to be allocated?

### **Wrap-up: To respond to the following questions:**

- Is there a market for your product?
- What is the market volume and how much are we likely to sell on that market?
- What characteristics should our products be endowed with in order to meet the clients' needs?
- Who are the main customers?
- What would be a good sales price?
- What is the best way of making the product available to the customer?

### **III / IMPACT ON THE ENVIRONMENT:**

(Before dwelling on this chapter, define the category in which the project belongs)

- A Category: A polluting project having serious negative impact on the environment (a study on the environmental impact is required).
- B Category: A project that may have negative incidence on the environment (environmental issues must be analysed).
- C category: A project that is not likely to pose any hazards to the environment (no analysis is required, but it has to be confirmed that the project is ecologically viable).

### **IV / OPERATIONAL AND MANAGEMENT STAFF**

#### **4.1 The staff:**

- Staff employed (by specifying operational plan: shift work, weekly duration ...) dispatching per task, dispatching per professional category.
- Recruitment: recruitment post, date of recruitment (to specify per-stage needs: assembly, start up, initial production and full-swing production).
- Required qualifications: list of needs in terms of assistance and training; who will be entrusted with assistance and training

#### **4.2 The project management:**

- Chart organisation (target and start –up one)
- The leading team (Nature, origin, responsibilities, control and management methods, recruitment timing ...)

### **V / INVESTMENT AND FUNDING:**

#### **5.1 Project cost:**

- Break down the different investment items: establishment costs – land – civil engineering and fitting-out – hardware – tooling – rolling stock – furniture and office hardware ... miscellaneous and unexpected items.
- Break down the working capital item per heading (raw material and consumable – staff – TFSE – Transport – miscellaneous expenses pertaining to management ...).
- Keep in mind intercalary interests, banking commissions and possible SOTUGAR commissions.

#### **5.2 Funding:**

- Distribution between capital and credits
- Break down the capital (developer's contribution, shareholders, SICAR, FOPRODI,
- RITI ...).

## **VI / FINANCIAL STUDY:**

- 6.1 Hypotheses: on the level of activities of the first year – production evolution – number of posts per day ...
- 6.2 Operations' profitability: results accounts on the ten years to come.
- 6.3 profitability threshold: quantity wise, turnover wise.
- 6.4 Project's profitability criteria: gross margin, profits, TRI, TRC.
- 6.5 Sensitivity study (in case of rising expenses, slowdown in operations or price cuts).

How the business will manage to refund credits, provisional treasury, whether the needs in liquidity are sufficient.

## **ANNEXES**

Enclose herewith any additional and useful information to shed more light on the project.

1. Developer(s) Curriculum Vitae.
2. References of main shareholders and of management team.
3. List of main clients, references.
4. List of technical partners, references.
5. List of main suppliers of raw and consumable material.
6. Pro forma invoice, prospectus and a detailed description of installations and hardware.
7. An estimate of the buildings along with fixtures and fittings.
8. Diagram of machines layout.
9. Documentary evidence of in-kind contributions (if any).
10. Provisional plan of the project realisation.
11. Miscellaneous: Any document, information, press article, commitment to buy, purchase protocol ... that allows better understanding and assessment of the project.