



Business plan

Meeting 15

Considerations of Making Business Plan



- **Business risk**
- **The complexity of the production process and business transaction**
- **Business plan reader**
- **The first step is to become an entrepreneur**
- **Aids in systemizing business logic**

Business Plan vs. Business Planning

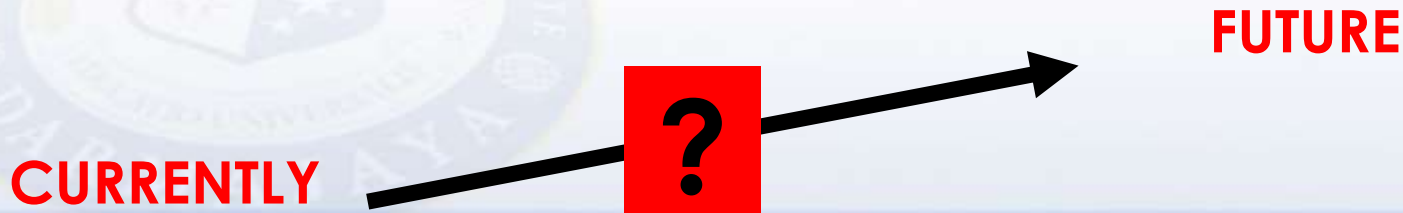
| DIMENSI | BUSINESS PLAN | BUSINESS PLANNING |
|-------------------|---|--|
| Time | Forming a new organization (organization, product, or service) | Organizational development, products, or services they have |
| Complexity | Simple | Very complex and holistic |
| Structure | Focus on 3 main things: business ideas, marketing and finance (sources of capital) | Comprehensive, including the development of all organizational structures and functions |
| Period | Short-term planning (3-7 years) | Long-term strategic planning (more than 10 years) |

Starting a Business

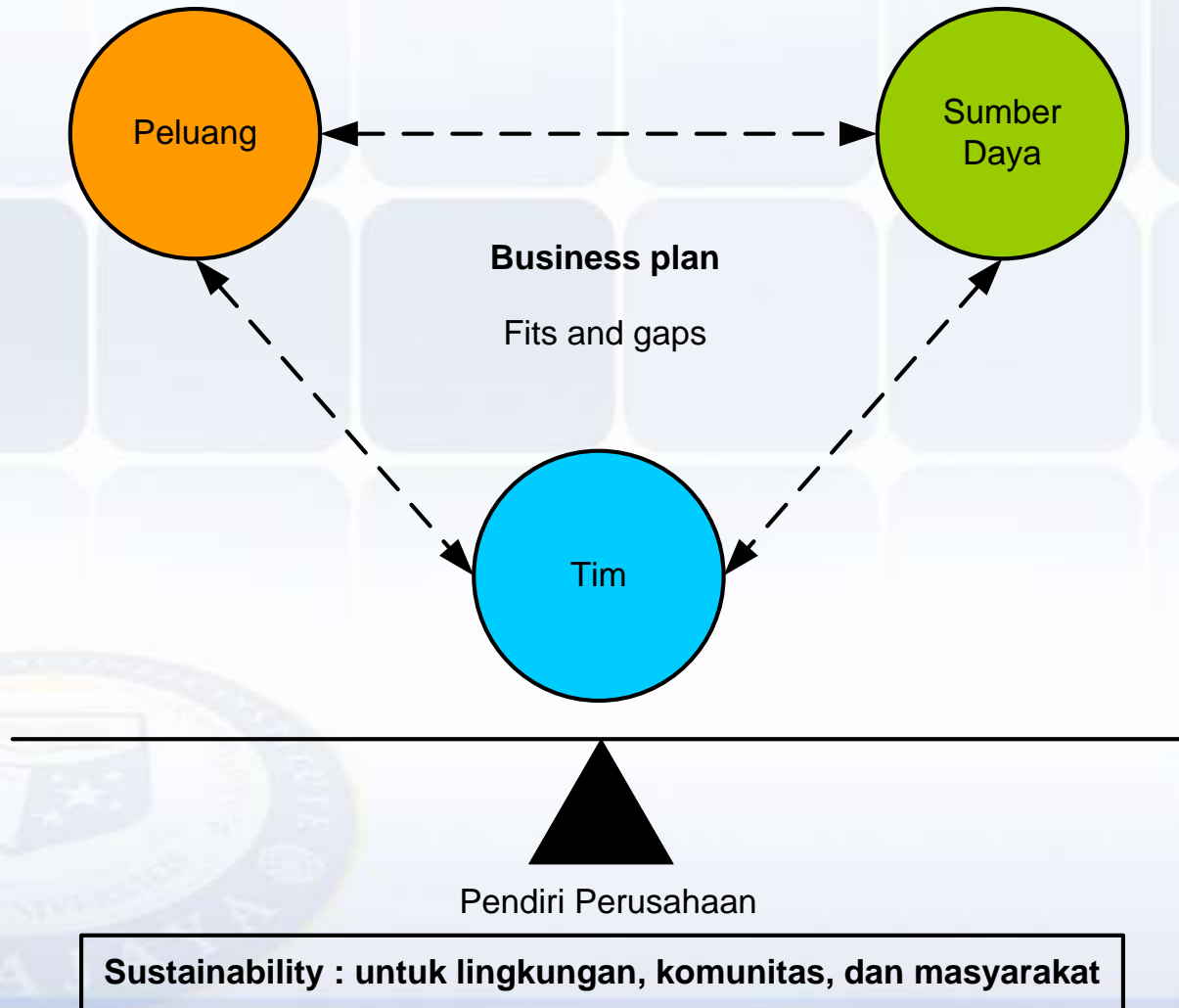
- Business Definition:
- *Means “things to do..”*
 - *eq. It’s not your business.. It is my business, etc*
- *Means “Transaction..”*
 - *eq. Let’s do business..*
- *Means*
 - *“An organization that provides goods and services to earn profits.” (Griffin:2002)*
 - *“Activity and enterprise that provides goods and services that a society needs” (Bovee et.al : 2004)*

What Is a Business Plan

- **Business Plan → WRITTEN DOCUMENTS** detailing the ins and outs of the business / business
- Includes information on **CURRENT STATUS**, **UPCOMING NEEDS**, and **EXPECTED RESULTS** from the new business / business



Entrepreneurship Process (Timmon's Model)



Business plan = Situational

Business plan will be quickly become obsolete



Entrepreneurs must be able to act fast, but also must be patient & tenacious



A Good Business Plan

- Short and compact
- Neatly organized with attractive appearance
- Promising plan
- Avoid exaggerating projections
- List significant business risks
- Trusted and effective team
- Focus
- Target market
- Realistic
- Specific

Basic Things

- Start with a business idea
- Business ideas in response
- You are the right person
- How to make a profit
- Who is the buyer of your product
- Funds to start a business

Main Part of Business Plan

1) Business concept

**industry, business structure, deals
product / service, how to succeed in business**

2) Market

**potential consumers, reasons for purchasing,
competition conditions, position in competition**

3) Financial plan

revenue estimation, break even analysis



Phuket, Thailand

*"Success is sweet, but the secret is sweat."
- General Norman Schwarzkopf -*

Business Plan Components

1. Executive Summary
2. Business Description
3. Marketing strategy
4. Competition Analysis
5. Design and Development Plan
6. Operations and Management Plans
7. Financial Plan Analysis

1. Executive Summary

- Business concept
- Company mission
- Products / services
- Competition
- Target and market size
- Marketing strategy
- Management team
- Finance

2. Company Overview

- Company identity: name, location, legal entity
- Vision and mission of the company
- A quick overview of products / services
- Development to date
- Legal status and ownership

3. Marketing strategy

- Industry trends and growth
- Market Overview
- Market size and trends
- Strategic Opportunities
- Target market
- Market characteristics

4. Competition Analysis

- Competitor
- Position in competition
- Market share distribution
- Advantages compared to competitors



5. Design & Development Plan

- Long-term business goals
- Strategy
- Milestones
- Risk evaluation
- Exit Plan

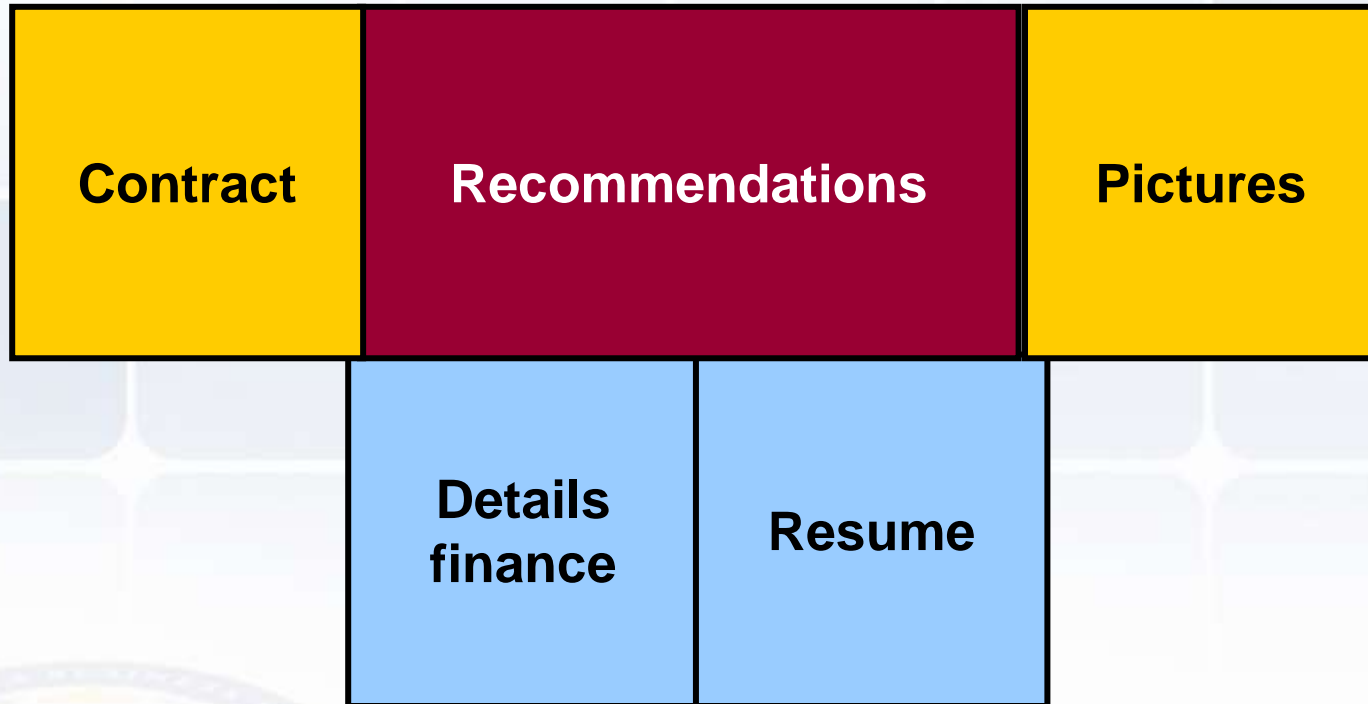


6. Operations & Management Plans

- Amenities
- Production process
- Inventory control
- Supply and Distribution
- R&D / Product development
- Financial control
- Management team
- Consultant
- Etc

7. Financial Plan Analysis

- Projection of income
- Cash flow projections
- The balance sheet
- Source of capital & usage
- Assumptions used
- Break-Even Analysis, Payback Period, IRR, NPV



ATTACHMENT

A Good Business Plan

- Neat and attractive appearance
- Page length 10-20 p
- Homepage and title
- Summary
- Table of contents



end

