

Module 3: Business Planning & Digital Strategy

Topic 1: The Business Plan

A **Business Plan** is a formal written document containing business goals, the methods on how these goals can be attained, and the time frame within which these goals need to be achieved. If the Feasibility Study was the "survey," the Business Plan is the "architectural blueprint."

1. The Purposes of a Business Plan

- **Roadmap:** It helps the entrepreneur stay focused on the original vision and track progress.
- **Funding Tool:** Banks and investors will rarely lend money without seeing a detailed plan of how the money will be used and repaid.
- **Communication:** It explains the business clearly to potential partners, employees, and suppliers.

2. Key Components of a Business Plan

A. Executive Summary

This is the most important section. Even though it appears first, it is usually **written last**. It summarizes the entire plan in 1–2 pages. Most investors only read this section to decide if they should read the rest.

B. Company Description

Details what the business does, its mission statement, its legal structure (from Module 1), and its history.

C. Market Analysis

Evidence of your research (from Module 2). It describes your target customers, their buying habits, and your competitors.

D. Organization and Management

An organizational chart showing who is in charge. It lists the owners, the board of directors (if any), and the management team.

E. Product or Service Line

A detailed description of what you are selling. It explains how your product benefits the customer and its "lifecycle" (how often they need to buy it).

F. Marketing and Sales Strategy

How you will find and keep customers. This often uses the **4 Ps of Marketing**:

1. **Product:** Features and quality.
2. **Price:** How much it costs.
3. **Place:** Where it will be sold.
4. **Promotion:** Advertising and social media strategy.

G. Funding Request & Financial Projections

If you are seeking a loan, this section specifies exactly how much you need. It also includes projected **Profit and Loss statements**, **Balance Sheets**, and **Cash Flow statements** for the next 3–5 years.

3. The Lean Startup Method: An Alternative

Many modern entrepreneurs use a **Business Model Canvas (BMC)** instead of a 40-page document.

- **The BMC** is a one-page summary that allows you to visualize the entire business model at a glance. It is better for fast-moving startups that need to change (pivot) their ideas quickly.

Student Tip: Keep it Realistic

A common mistake is "polishing" the numbers to look perfect. Experienced investors can spot unrealistic projections (like going from $0 to $1 million in one month). It is better to be conservative and realistic in your planning.