Subject : Business studies

Topic :   Simple Business Plan

Class :   JSS3A&B

Week :   week 3

Learning Objectives

1. Define a business plan;

2. Identify the uses of a business plan to the entrepreneur, employee and financier/investor:

3. Types of business plan

4. Identify the characteristics of a business plan;

5. Explain the procedures for drawing single business plan.

Definition of a business plan : A business plan is a written document that entrepreneurs prepare to help them decide where they are going in their business and how they will get there. Business plan is like a road map that gives one the details of the road. Business plan is also a formal written document containing the goals of a business, the methods for attending those goals and the time frame for the achievement of the goals.

The uses of a Business Plan uto the Entrepreneur

1. To think out in details the business to start or pursue

2. To research for the business

3. To state in writing who will own and run the business

4. It guides the business and its operations

Uses of Business plan to an employee

1. It reviews the business objectives or goals, enabling employees work hard for the business success.

2. It helps to develop service policy or rules for the business

3. It helps them to know whom they are responsible to and the channels of information.

4. It helps them to know how costs and prices are worked out.

Uses of a Business Plan to a Financier/Investor

1. It enables an investor or financier to see the costs and prices breakdown.

2. It provides useful analysis of the business

profitability or loss.

3. It shows the vivid or clear thinking of the entrepreneur to the investor or financier.

4. It helps the investors or financier to see the long term vision of the business.

5. It helps the investors to know how accountable the management will be.

Types of Business Plan :

1. Internal Business Plan

2. External Business Plan

Internal business plan/Business operation plan : It is the type of business plan used as a guide to structure the management and operations of a business. It is prepared to be used inside the business.

External business plan/Business presentation plan : It is prepared for the presentation to the potential clients like banks, customers, suppliers and investors.

Characteristics of a Business Plan : A good business plan must be (SMART+W)

1. **Specific** : The business plan must specifically tell us the things concerning the business such as goals, visions, policies, etc

2. **Measurable** : It should be easy for someone reading it to measure the times or seasons the business will grow.

3. **Accurate or Clear** : The statements made in it must accurately or clearly show what is to be achieved: example, "We will increase production of 200 books in 2023 to 300 books in 2024

4. **Reasonable** : The goals set should be reasonable, so that everyone will strife to achieve it.

5. **Time bound** : A business plan must state how long it will take to achieve the set goals.

6. **Written down** : It must be written down because one can refer to it as a document.

Procedures for Drawing up a Simple Single Business Plan.

1. Background/Introduction/Preamble

State the products and services, name and logo, vision and goals of the business.

2. Market Research : State what customers want, pricing strategies, competitors through advertisements.

3. **Marketing** : Create awareness of goods and services to the customers through advertisements.

4. **Production** : Methods to be followed when producing, quality control standards, suppliers information.

5. **Organization/Management** : Show the number of people that will be employed, their designation and their responsibilities.

6. **Finances** : State the estimated amount of money needed to start the business, the source and what it is to be spent on.

7. **Action Plan :** What are the production targets? How does the business plan to reach them?

Assignments

1. Mention (5) procedures for drawing up a simplifies simple business

2. Explain the (2) types of business plan