

## PROPOSED BUSINESS PLAN / PROJECT STRUCTURE

A Business Plan (BP) is the documented strategy of a company's business decisions. It sets the deadlines for the actions to create and make your business grow. It has numerous goals, the most important of which is to serve as an internal tool.

There are basically three potential recipients, and the Plan must be checked to ensure that it meets the needs of each one:

1. The administration.
2. Financial institutions.
3. Investment partners.

### **Why is it important to have a Business Plan?**

- It obliges you to keep up to date, to study and properly understand your sector and competitors.
- It will be your roadmap and strategic analysis.
- It will help you to ensure your company's economic viability.
- It will enable you to take an overall look at the company's future in the medium and long terms.
- It will help you to give your project global coherence (externally and internally).
- It will help you to convey your idea to potential investors, partners, financial backers of your project.

### **Executive summary**

This is the summary of the most important aspects included in the plan. The summary must be brief and explained in keeping with the remaining content of the document.

Some of the points to be included in this section are: your business idea, target market, product, competitors, required investment, etc.

## Complete business plan

### 1. FRONT PAGE

Include the date of the latest update.

### 2. GENERAL CHARACTERISTICS OF THE COMPANY/PROJECT

- Information about:
  - National Classification of Economic Activities (CNAE).
  - Sector of activity.
  - Product category.
  - Corporation type.
  - Location.
  - Calendar indicating the date on which the activity startup is envisaged and/or a high-level schedule.
- Background and definition of your project.
- Strategic lines of the company.
- Main risks facing the company.
- Anticipated business model.
- Portfolio of services and products.
- Competitive advantage of the company.
- Corporate brand and image.

### 3. MARKET ANALYSIS

#### **Analysis of the environment and of the sector**

Include a detailed description of the characteristics of the sector you want to enter: mature or growing sector, barriers to entry, exports and imports in the sector, future challenges... Here the idea is to summarise your study of the sector.

#### **Study of the market and competitors.**

- Market: past evolution, current demand/market size, at home and abroad. Demand trend.
- Your target market niche.
- Positioning of your company in the market; value proposition.
- Generic description of your target consumers: types, consumptions, selection criteria...

- Competitors: your main competitors and their number, analysis of their products, potential substitute products, trends.  
We recommend that you create a strategic positioning map: situate your product in comparison to your competitors.

#### 4. DESCRIPTION OF THE PRODUCT OR SERVICE.

Detailed description of your product or service (parts, characteristics...). It is important to outline your competitive advantage with respect to the other products on the market.

If you have images or prototypes, show them.

#### 5. BUSINESS MODEL.

Indicate whether the business involves sales, rental, methods of making and receiving payment...

- Main suppliers, expected sales volumes, main methods of payment and preliminary agreements.
- Main customers, expected sales volumes, main methods of payment. Preliminary contract agreements.

You should also give details regarding:

- Facilities/premises.
- Necessary equipment and machinery.
- Limitations of the product and/or its raw materials.
- Locally sourced brands and products.

This is the section for making your basic financial projections, including basic financial ratios. You must also describe how the company will be financed. The subject of tax may also be relevant. Your financial projections will be described in greater detail in another section (in Excel format).

##### **Basic financial ratios:**

- a. Working capital.
- b. Treasury ratio.
- c. Financial autonomy ratio (FAR).
- d. Average accounts receivable period.
- e. Average accounts payable period.
- f. Return on assets.

g. Return on equity.

## 6. PRICING, COMMERCIAL AND MARKETING PLAN.

Explain how you will go about making your sales:

- **Pricing policy:** Channel-based pricing, discounts, methods of payment, etc. To define this section, you must take the following into account:
  - Product cost analysis.
  - Product and sales channel margins.
  
- **Communication policy and channels**
  - Online and offline communication actions.
  - Website and/or e-commerce.
  - Promotional tools, merchandising, sponsorship and backing.
  - Social media.
  - Marketing budget.
  
- **Distribution policy**
  - Logistics providers.
  - If applicable, explain how your products will be kept cold.
  - Location. Auxiliary sales elements.

## 7. PEOPLE

### 7.1. The promotional team

Short CV for each of the promoters and each one's functions and responsibilities within your project.

### 7.2. The backup team

Complementary profiles needed to proceed with your project. Governing body.

- Organisational staff and structure: description of the jobs and of the skills and qualifications needed, organisation chart, wages, applicable workers' agreement. Expected staff evolution.
- Training plan according to needs and capacities.

## 8. CORPORATE AND LEGAL MATTERS

Corporate aspects:

- Company name
- Commercial name
- Corporation type
- Company address
- Other addresses
- Tax no.
- Company purpose
- Cap Table
- Share capital
- Administrative bodies of the company
- Official registries (RIAA, REGA, Health registry...)

Legal aspects:

- Registration of brands and domains.
- Registration of patents.
- Special administrative permits.
- Rights and awards granted by the administration.
- Most important contracts
- Licences
- ...

## 9. OTHER STRATEGIES

- R&D&I policy.
- Technology or digitalization strategy.
- Environmental management policy.
- Security and hygiene policy: food traceability, etc.
- If applicable, analysis of animal and ecological welfare.
- Patents strategy...

## 10. FINANCIAL STATEMENTS AND FINANCIAL PROJECTIONS

**10.1. Hypothesis sheet:** Detailing all assumptions

**10.2. Analytical Profit and Loss Account** giving information on: Revenue, Costs, Structural Costs, Results.

It is advisable to highlight information regarding:

- Gross margin
- Net margin
- Contribution margin
- Break Even point

**10.3. Financial Profit and Loss Account**

**10.4. Liquid Assets Sheet**

**10.5. Balance Sheet**

*Note 1: Remember that you must be able to answer the following questions:*

- *How much money will I need before I start to receive regular income?*
- *What quantity do I have to sell at my estimated price to cover my expenses?*  
*\*Which of my activities generates the greatest cash flow in proportion to costs/required investments? What product should I promote?*
- *How many members of staff can I pay with the different levels of income?*
- *When should I make the anticipated investment? How will my business change after making that investment?*
- *What will happen if certain costs rise by 6% when I can only raise my price by 2%? And what happens if I made a mistake when calculating my structural costs?*
- *Is it in my interests to lower the price a little and boost my volume of sales, or should I do precisely the opposite?*
- *What returns can I offer an investor?... etc.*

*Note 2: It is important to differentiate between the accounting and legal obligations that are usually delegated to an Accounting Consultancy and the financial planning and analysis that must be carried out by the entrepreneur, given that the former could be considered as mandatory and the latter as strictly corresponding to the management and administration.*

*Note 3: We recommend that you consult the documentation published on [www.onekin.eus](http://www.onekin.eus) in regard to financial statements and the investment manual.*

## 11. OPTIONAL APPENDICES:

- Outside sources consulted for the purposes of providing data in the document (e.g. sales growth, market share, competitors, margins, costs, sales prices, etc.).
- SWOT.
- If applicable, draft partner agreement.
- Quotes for required machinery.
- If applicable, any prototypes created.
- ....