

Module 5

Extra life: Business Plan Development, Business Model Canvass, Strategic forms

Lesson 1



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Learning Outcomes

At the end of this module you will be able to:

- Draft a social Business Plan idea in Traditional or Canvas way
- Make a starting Market analysis by analysing potential customers and competitors



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What is a Business Plan?

The Business Plan (BP) is a document, structured in a precise way that summarises the contents and aspects of an entrepreneurial project.

Its ultimate goal is to understand whether the business idea is feasible or not. Also, if the BP is feasible, how can it be realised, with which resources and at what time?



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How many models of Business Plan exist?

1. **Business Model Canvas** is a strategic tool that visually helps to create and describe any business model. Using this visual chart that is subdivided into 9 thematic blocks - representing the 9 core elements of the company - the model enables you to visually represent how a business creates, distributes, and captures value.

The Business Model Canvas *Designed for:* _____ *Designed by:* _____

On: _____ Date: _____ To: _____
Iteration: _____

<p>Key Partners</p> <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform for us?</p>	<p>Key Activities</p> <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p>	<p>Value Propositions</p> <p>What value do we deliver to the customer? Which one of our customer segments are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p>	<p>Customer Relationships</p> <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p>	<p>Customer Segments</p> <p>For whom are we creating value? Who are our most important customers?</p>
<p>Key Resources</p> <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p>		<p>Channels</p> <p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p>		
<p>Cost Structure</p> <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p>			<p>Revenue Streams</p> <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p>	

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..... and for who?

The beneficiaries of the **Business Plan** could be different subjects.

First of all, the BP is prepared for those who can finance/support a start-up or an existing company such as, banks, venture capital, consortiums of guarantee, Business Angels, followers of a certain project with social goals etc. In addition, the BP can be developed to convince a company operating in the same sector as your start-up to undertake a joint venture or also to be able to take part in competitions between different start-ups, where the award is financial support.

Last but not least, the BP is designed to help a social entrepreneur to manage more effectively and consciously its social business.



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How is divided the BP?

The BP consists of 3 main parts:

1st **The Business Concept**, This is presented in the business structure, the product/service that is intended to be realised and how it is expected to be reached (set of goals);

2nd The section is related to the **Market analysis**, which describes and analyses potential customers- who and where they are, how many of them and other useful information regarding their lifestyle, expectations, etc.

This section also describes the competition and how to position ourselves with respect to it;

3rd The section is related to the **Marketing Plan**, the **SWOT Analysis**, the description of the projects **Team** and the **Financial statement** that contains the Profit and Loss Account (Financial Analysis of the costs/revenues as well as the Break-even point);



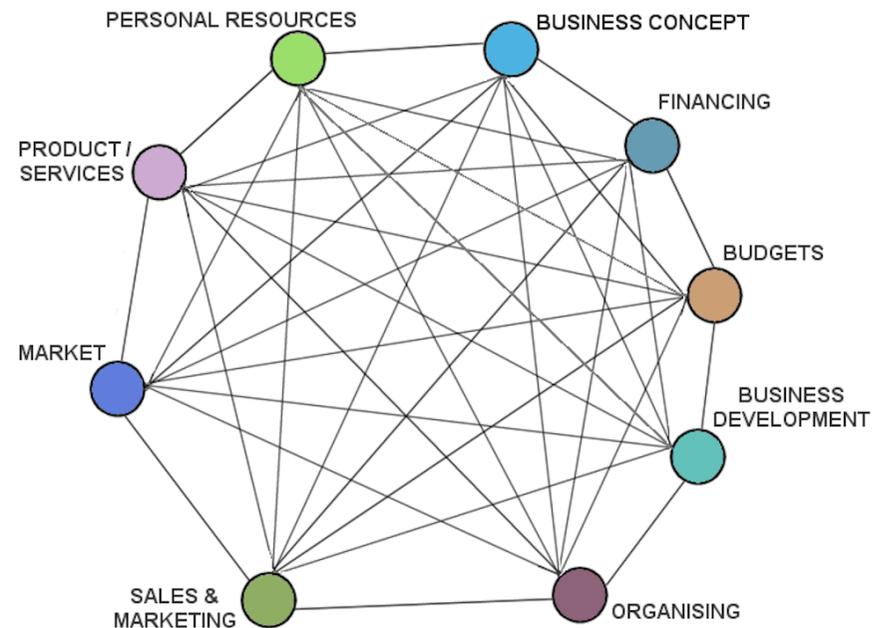
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The BP is divided in 9 sections:

1. Summary of the entrepreneurial idea
2. Mission
3. Description of the offered Service/
Product
4. Market Target (Customers)
5. Competitive Analysis (Market
Competitors)
6. Marketing Plan
7. Swot Analysis
8. Team
9. Economic and Financial Analysis



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1. The summary of the Business idea

The summary of the BP provides a recap of the project that is intended to realise. The BP's introduction is the "Business Card" that should stimulate, in those who read it, will want to read and find out more. The brief description should be **SYNTHETIC** but at the same time **CLEAR** and **COMPREHENSIVE**.

It is important to mention that the BP is not addressed exclusively for experts in the field of the business idea, but also for people who are not directly involved, but who are part of the entrepreneurial initiative in various ways.



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2. Mission

The heart of every BP is represented in this section. Specifically, it is dedicated to the general description of the company and illustrates the nature of the enterprise by describing its fundamental characteristics. Starting from the description of the **Mission**, and then moving from the description of the short, medium and long term goals, up to the type of company (industrial, social, services), date of the establishment, legal form, investors, administrators and the organisational chart. Finally, in this section, it should be specified what is the offer that it puts in place and what level of development has been achieved so far. The set of goals must be realistic, achievable and at the same time able to attract the attention of potential investors. In addition, in the case of the social enterprise, the ultimate goal will be the production and exchange of goods/services with social utility.



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3. Description of the offered Service/Product



This section offers the description of the **products/services** offered by the company and the plans for the future. It is necessary to specify whether the products/services are already existing and marketed, ready for placing on the market (indicating the launch date) or if the products are under development (indicate time to market).

In addition, you will have to list the specific features of the product (brand, patent if any expected) or the potential competitive advantage sources that must be clearly described.



It is also useful to indicate what makes it possible for you to enter in a consolidated market (if that is the market you approach). It is important to highlight the features that distinguish the products/services offered, compared to the ones offered by the competitors. To do so, you need to know the companies that are already on the market and analyse how these "work", so you are able to propose new products/services that attract the attention of the potential customer. In this phase, it is good to show that you are the expert in the field.



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4. Market Analysis – Target (Customers)

This section answers the following questions:

Where do we want to work? What are the characteristics of the market we are entering? Who are our customers?

Market analysis is fundamental to understand how decision makers drive the purchasing choice of potential customers.

Often, one of the obstacles during the BP drafting is the difficulty of accessing specific market data or even the lack of precise and certain data on potential customers' choices.

Here it will be emphasise the aspects of the potential customers you are addressing and what problem needs to

be solved. In order to identify the **TARGET OF CUSTOMERS**, it is appropriate to choose segmentation criteria that will help us to identify the customer in terms of the age, sex, habits and purchasing behaviour, etc. The choice of segmentation criteria depends on the type of product/service offered.



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5. Competitive Analysis of specific market

This section answers to the following questions:

Who are our competitors in the market we want to enter?

The task of analysing the competition is an essential component of the business strategy.

Once that you defined the market in which you intend to operate, you must carefully identify and select the companies who specialise in the sale of the same products/services; after collecting as much information as possible about competitors, analysis what can be done by re-ordering, processing and scanning all the data collected through various channels: Web; social, etc.



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This project has been funded by the European Union, under de Programme Erasmus+ KA2 Strategic Partnerships



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