

Module 5

ExtraLife: Business Plan Development, Business Model Canvass, Strategic forms

KEY WORDS

- **BUSINESS SOCIAL PLAN**

Business plans serve as the framework for your social enterprise and provide benchmarks to see if you're reaching your goals. This is a starting point defining the problem, analysing a need to respond, tools needed to do it, targeting and distribution channels, creating partnerships etc. The next level is to create an articulated economic part - the business plan. So, it's a plan that lets you relate your share of costs and revenue to the needs, market, competitors and development prospects you want to reach. In addition, the business plan of a social enterprise needs to keep in mind the characteristics of a social enterprise. It is important to be able to explain and demonstrate what degree of social impact will have, how this will change over time and how many people will engage.
- **SWOT ANALYSIS**

Swot Analysis is a process that identifies a social enterprise/organisation Strengths, Weaknesses, Opportunities and Threats. It can determine what assists the enterprise in accomplishing its objectives and what obstacles must be overcome or minimised to achieve desired results. Swot Analysis provides a quick overview of the enterprise position -where the social enterprise is today, and where it may be positioned in the future. It is important to be realistic when identifying SWOT points.
- **MISSION/VISION**

Mission statement and/or vision statement is where it is clearly articulated what you're trying to create and it should be at the heart of the business plan. The most successful companies are those that lead with their mission or dream, shortly followed up with the actual product or service the company provides.
- **TEAM**

The term team refers to the key team members you should create inside the social enterprise. What kind of experiences, competences and skills your team should have? As a social entrepreneur, you must be careful about bringing someone in who is going to support your mission and believe in your vision for it.
- **SOCIAL PRODUCT/SERVICE**

The best way to build a social enterprise is to build a product or service people really need. There must be someone willing to buy it, so is fundamental to understand if there is a market for the product or service the social enterprise provide. At the end, a social enterprise is not just selling a product/service but it's selling a product and a mission/vision. You're selling all of these- product, social enterprise, mission/cause, brand and in order to succeed.

- **FINANCIAL GOALS**

The primary financial goal of a standard business is profitability. A social enterprise may have profitability as its goal, or it may not. A social entrepreneur is driven more by a passion to solve a social problem/needs, to make a difference and to increase social, environmental and economic profitability. The main motivation for a traditional entrepreneur is profit maximisation. For instance, your goal may be to be financially sustainable so that your sales revenue covers both your standard business costs and the extra costs you incur to pursue your social, environmental and/or cultural mission. Your goal could be to have no funding support, from outside investors, or another goal could be to operate with some outside funding over the long term. As a social enterprise it is important to be clear about your financial goals and to interpret your financial statements accordingly. The financial goals should be realistic and can change as social enterprise develop.

- **SUSTAINABILITY**

Sustainability is about an organisations' capacity to endure over time. In the context of social enterprise, sustainability has two sides. One side relates to the fact that an enterprise needs to be able to survive and endure financially over time. Other side is related to an enterprise's social purpose can endure and whether it is able to maintain or deepen its impact over time. In social enterprises, impact and financial sustainability cannot be separated. Further, it is important that we start to understand sustainability as something that can only evolve after an enterprise can establish that it is viable. In other words, we cannot even begin to expect an enterprise to become sustainable until it is demonstrated that it can achieve both impact and operational outcomes over a period of time.