

START YOUR BUSINESS

Business Plan





**START
YOUR BUSINESS**

BUSINESS PLAN

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About the Start and Improve Your Business (SIYB) Programme

The Start and Improve Your Business (SIYB) programme is a management-training programme developed by the International Labour Organization (ILO) with a focus on starting and improving small businesses as a strategy for creating more and better employment for women and men, particularly in emerging economies. With an estimated outreach in over 100 countries, it is one of the world's largest programmes in this field.

The programme has four inter-related packages - Generate Your Business Idea (GYB), Start Your Business (SYB), Improve Your Business (IYB) and Expand Your Business (EYB).

The ILO implements the programme using a three-tier structure comprising Master Trainers, Trainers and the end beneficiaries – potential and existing entrepreneurs. The Master Trainers licensed by the ILO are responsible for developing the capacity of the Trainers to effectively conduct SIYB training. Thereafter, the Trainers train entrepreneurs in SIYB packages. The ILO plays a critical role in identifying and disseminating best practices, carrying out trainings, monitoring activities, performing quality control and providing technical advice on the implementation of the SIYB programme.

About Start Your Business (SYB)

Start Your Business (SYB) is a training programme for potential entrepreneurs who have a feasible business idea for their own small enterprise. The training helps in developing a detailed business plan and to actually get started. The training also provides an opportunity to test the required entrepreneurial skills and the business plan in a simulated and safe environment.

The SYB training course usually delivered in five days using the SYB manual and business plan booklet. The training uses an active, problem-centred learning approach which builds on what the potential entrepreneur already knows. It challenges the entrepreneur by introducing new market dynamics through, for example, short cases and graphic illustrations.

Authors and acknowledgements

The SYB manual is a result of a collective effort and reflects the experience and knowledge gathered by implementing the programme for nearly three decades. In particular, the contributions of SIYB Master Trainers and Trainers who have tested, designed and implemented the programme in different countries over the years have been invaluable. There are many colleagues from the network of SIYB practitioners, consulting firms and in the ILO, whose experience, support and constructive suggestions made the publication of this training manual possible.

This manual is based on the materials originally developed in 1996 by the ILO SIYB Regional Project Office in Harare, Zimbabwe. The authors of the original version are Geoffrey Meredith, Douglas Stevenson, Hakan Jarskog, Barbara Murray and Ulf Kallstig. The original manual was subsequently revised by the ILO Youth Entrepreneurship Facility (YEF), whereby it was written and reviewed by Milena Mileman and Sibongile Sibanda. Short contributions and other valuable materials and ideas used in the YEF versions were provided by Julius Mutio, Marek Harsdorff, Milan 'Divecha, Namsifu Nyagabona, Mike Oneko, Dorothy Katantazi and Stephen Kyalibulha.

The author team of the 2015 version, which revised the existing text and wrote new chapters to include recent thinking in enterprise development and related fields comprises Phan Minh Tue and Pranati Mehtha. Stylistic and language editing were carried out by Steve Raymond.

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The internal layout and illustrations were carried out by Le Nguyen Sang and the cover design was developed by Maurizio Costanza.

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Important note to the user:

The users are advised to select those tables for their business plans that are relevant for their intended businesses. Users are allowed to make as many copies of the tables as are required by the size of their business operation and the number of goods and/or services they make or provide.



EXECUTIVE SUMMARY

This business plan is a projection for the period from ___ / ___ / 20___ till ___ / ___ / 20___

Name of the business: _____	_____
Contact address: _____	Telephone: _____
Type of business:	Legal form: _____
<ul style="list-style-type: none">• Manufacturer of the following good(s): _____• Service operator to provide the following service(s): _____• Retailer running the following type of shop: _____• Wholesaler running the following wholesale business: _____• Other (please specify): _____	Owners: _____
_____	Managers: _____
_____	_____
_____	<i>Qualifications and experience in attached CVs</i>
Customers: _____	Sources of start-up capital: _____
_____	_____
Staff: _____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

1. BUSINESS IDEA

Name of the business: _____

Type of business:

Manufacturer Service operator Retailer Wholesaler Other: _____

The business is going to produce the following products: _____

The customers will be: _____

The business will sell in the following ways: _____

The business will satisfy the following needs of the customers: _____

My personal motivation to retain this business idea: _____

2.1 MARKET RESEARCH

Products	Customers	Needs and preferences of customers	Competitors	Gaps (that competitors have not fulfilled)
Product 1:				
Product 2:				
Product 3:				
Product 4:				

2.2 MARKETING PLAN

Product

Good, service or range of products:				
	1. _____	2. _____	3. _____	4. _____
Quality				
Colour				
Size				
Packaging				
Certification				

2.3 MARKETING PLAN

Price

Good, service or range of products:			
1. _____	2. _____	3. _____	4. _____
Cost			
The price that customers are willing to pay			
Competitors' prices			
Price			
Reasons for setting this price			
Discounts will be given to the following customers			
Reason for giving discounts			
Credit will be given to the following customers			
Reason for giving credit			

2.4 MARKETING PLAN

Place

Location:

This location is chosen for the following reasons:

The monthly cost of this location is: _____ (→ section 6.3) **This cost includes:** _____

Method of distribution:

The business will sell to:

Direct Retail Wholesale Others (please specify): _____

This method of distribution is chosen for the following reason:

2.5 MARKETING PLAN Promotion

Means	Details	Costs
Direct marketing		
Advertising		
Publicity		
Sales promotion		
Total promotion costs (→ section 6.3)		

2.6 MARKETING PLAN People

Position	Recruiting criteria	Training plan

2.7 MARKETING PLAN Process

Steps	Description
1.	
2.	
3.	
4.	
5.	
6.	
7.	

2.8 MARKETING PLAN

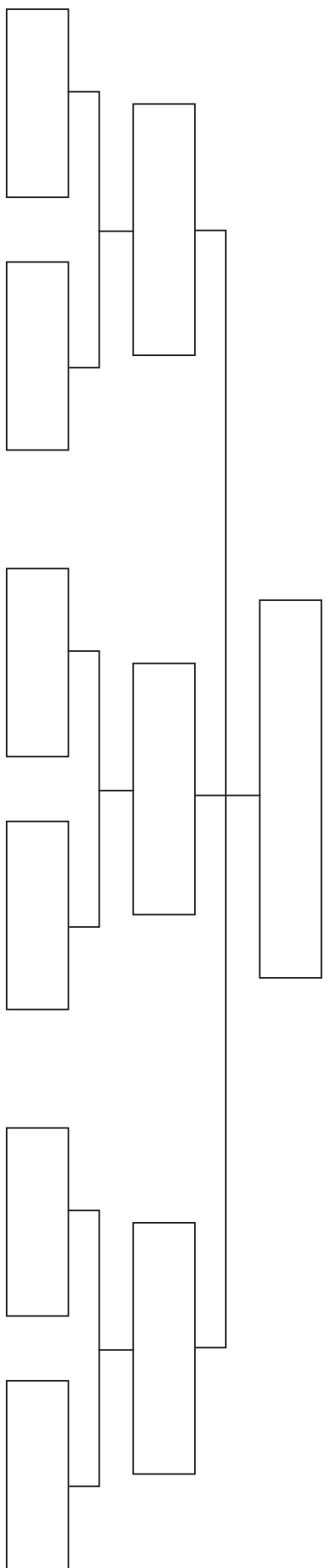
Physical Evidence

Physical Evidence	Description
Office premises and interior decoration	
Internet presence and website	
Packaging	
Signage	
Employee uniforms	
Business cards	
Mail boxes, etc.	

3. SALES ESTIMATION

Product	Distribution	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1.	Direct													
	Retail													
													
	Total													
2.	Direct													
	Retail													
													
	Total													
3.	Direct													
	Retail													
													
	Total													
4.	Direct													
	Retail													
													
	Total													
Total sales volume														
Total sales in the market														
Market share														

4.1 ORGANIZATION STRUCTURE



Tasks and responsibilities	Position	Staff
1.		
2.		
3.		
4.		
5.		
6.		
7.		

4.2 STAFF REQUIREMENTS AND COSTS

Task	Required skills and experience	Performed by	Monthly pay	Contributions to pension fund and health insurance
Total number of permanent staff				
Total staff cost per month (→ Section 6.3)				

5.1 LEGAL FORM OF BUSINESS

The business will operate as a: Sole Proprietorship Partnership Cooperative Limited Company
 Other: _____

The reason for choosing this form of business is:

The owners will be:

Name: _____

Position in the business: _____

Description of skills:

Relevant experience:

Name: _____

Position in the business: _____

Description of skills:

Relevant experience:

5.2 LEGAL RESPONSIBILITIES AND INSURANCE

The following taxes apply to the business: _____

The following regulations apply to the employees: _____

The business will need the following licences and permits:

Cost:

The business will have the following insurance:

Other legal responsibilities of the business:

6.1 PRODUCT COSTING FORM

(for manufacturers and service operators)

Product 1:

1. VARIABLE COST PER ITEM

1	2	3	4
Input	Cost of purchase	Estimated quantity per item	Estimated cost per item

Estimated Variable Cost per item (1) (→ section 6.5)

2. FIXED COST PER ITEM

Estimated total Fixed Cost per month (2) (see section 6.3)

Estimated total Variable Cost of the business per month (3) (see section 6.5)

Fixed Cost per Variable Cost (4) = (2)/(3)

Estimated Fixed Cost per item (5) = (4) x (1)

3. TOTAL COST PER ITEM (6) = (1) + (5)

6.1 PRODUCT COSTING FORM

(for manufacturers and service operators)

Product 2:

1. VARIABLE COST PER ITEM

1	2	3	4
Input	Cost of purchase (\$)	Estimated quantity per item	Estimated cost per item (\$)

Estimated Variable Cost per item (\$) (1) (→ section 6.5)

2. FIXED COST PER ITEM

Estimated total Fixed Cost per month (\$) (2) (see section 6.3)

Estimated total Variable Cost of the whole business per month (\$) (3) (see section 6.5)

Fixed Cost per Variable Cost (4) = (2)/(3)

Estimated Fixed Cost per item (\$) (5) = (4) x (1)

3. TOTAL COST PER ITEM (\$) (6) = (1) + (5)

6.1 PRODUCT COSTING FORM

(for manufacturers and service operators)

Product 3:

1. VARIABLE COST PER ITEM

1	2	3	4
Input	Cost of purchase (\$)	Estimated quantity per item	Estimated cost per item (\$)

Estimated Variable Cost per item (\$) (1) (→ section 6.5)

2. FIXED COST PER ITEM

Estimated total Fixed Cost per month (\$) (2) (see section 6.3)	
Estimated total Variable Cost of the business per month (\$) (3) (see section 6.5)	
Fixed Cost per Variable Cost (4) = (2)/(3)	

Estimated Fixed Cost per item (\$) (5) = (4) x (1)

3. TOTAL COST PER ITEM (\$) (6) = (1) + (5)

6.1 PRODUCT COSTING FORM

(for manufacturers and service operators)

Product 4:

1. VARIABLE COST PER ITEM

1 Input	2 Cost of purchase (\$)	3 Estimated quantity per item	4 Estimated cost per item (\$)

Estimated Variable Cost per item (\$) (1) (→ section 6.5)

2. FIXED COST PER ITEM

Estimated total Fixed Cost per month (\$) (2) (see section 6.3)	
Estimated total Variable Cost of the business per month (\$) (3) (see section 6.5)	
Fixed Cost per Variable Cost (4) = (2)/(3)	
Estimated Fixed Cost per item (\$) (5) = (4) x (1)	

3. TOTAL COST PER ITEM (\$) (6) = (1) + (5)

6.2 PRODUCT COSTING FORM

(for retailers and wholesalers)

FIXED COST CHARGE (%)			
TOTAL FIXED COST PER MONTH (2) (see section 6.3) _____ = _____ x 100 = %			
TOTAL VARIABLE COST PER MONTH (3) (see section 6.6) _____ = _____			
FIXED COST CHARGE (4)			
	1	2	3
Product	Variable Cost per item (\$) (1)	Fixed Cost per item (\$) (5) = (1) x (4)	Total Cost per item (\$) (6) = (1) + (5)

6.3 FIXED COST FORM

Details	Cost per month (\$)
Rent (see section 2.4)	
Electricity and water including waste water	
Licences	
Insurance	
Labour (see section 4.2)	
Consumables including recycling and disposal	
Depreciation (see section 6.4)	
Transport	
Repairs	
Marketing (promotion) costs (see section 2.5)	
Total Fixed Cost per month	

6.4 DEPRECIATION FORM

Equipment	Estimated cost of purchase (\$)	Estimated life of the equipment	Depreciation per year (\$)
Total			
Depreciation per month			

6.5 TOTAL VARIABLE COST PER MONTH

Products	Quantity produced per month (see section 3)	Variable Cost per item (\$) (see section 6.1)	Total Variable Cost per month (\$)
Product 1:			
Product 2:			
Product 3:			
Product 4:			
Total Variable Cost per month			

6.6 MONTHLY PURCHASE FORM

Product	Estimated number of items sold per month (\$) (see section 3)	Variable Cost per item (purchase price) (\$)	Total Variable Cost per month (\$)
Total Variable Cost per month			

7.1 SALES PLAN

Product	Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Product 1:	Sale volume													
	Sales price (\$)													
	Sales value (\$) (1)													
Product 2:	Sale volume													
	Sales price (\$)													
	Sales value (\$) (2)													
Product 3:	Sale volume													
	Sales price (\$)													
	Sales value (\$) (3)													
Product 4:	Sale volume													
	Sales price (\$)													
	Sales value (\$) (4)													
Total sales value (\$) (5) = (1) + (2) + (3) + (4)														

7.2 COST PLAN

Product	Details	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Total
Product 1:	Production volume													
	Variable Cost per item (\$)													
	Total Variable Cost (\$) (1)													
Product 2:	Production volume													
	Variable Cost per item (\$)													
	Total Variable Cost (\$) (2)													
Product 3:	Production volume													
	Variable Cost per item (\$)													
	Total Variable Cost (\$) (3)													
Product 4:	Production volume													
	Variable Cost per item (\$)													
	Total Variable Cost (\$) (4)													
Total Variable Cost of the business (\$) (5) = (1) + (2) + (3) + (4)														
Total Fixed Cost (\$) (6)														
Total cost (\$) (7) = (5) + (6)														

7.3 PROFIT PLAN

(Unit:)

Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Total sales value (1) (see section 7.1)													
Total Variable Cost (2) (see section 7.2)													
Gross Profit (3) = (1) – (2)													
Total Fixed Cost (4)													
Net Profit (5) = (3) – (4)													

7.4 CASH FLOW PLAN

(Unit:)												
Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
CASH IN												
1. Cash at the beginning of the month (1)												
2. Cash from cash sales												
3. Cash from credit sales												
4. Other cash in												
5. Total cash in (2)												
6. Purchase of goods												
7. Payment of wages												
8. Purchase of equipment												
9. Loan repayment												
10. Other payments												
11. Total cash out (3)												
12. Cash at month end (4) = (1) + (2) - (3)												

8. REQUIRED START-UP CAPITAL

For the period from: _____ to: _____	
(Unit:)	
INVESTMENTS	Amount
Business premises	
<ul style="list-style-type: none"> • Construction or purchase of a building 	
<ul style="list-style-type: none"> • Conversion or reconstruction of business premises 	
Equipment	
<ul style="list-style-type: none"> • Machinery and Tools 	
<ul style="list-style-type: none"> • Furniture 	
WORKING CAPITAL	
Stock of raw materials or finished goods	
Licenses and fees	
Marketing expenses	
Salaries	
Rent	
Electricity and water	
Contingency for emergency	
TOTAL START-UP CAPITAL	

9.1 SOURCES OF START-UP CAPITAL

(Unit:)

	Amount
Required start-up capital	
Sources of start-up capital	
• Owner's equity	
• Other sources	
Total (must be the same amount as the required start-up capital)	
Collateral (if applying for a loan)	

9.2 LOAN REPAYMENT SCHEDULE

Loan provider: _____

Total amount borrowed: _____ Loan period: _____ Instalment period: _____

Interest rate: _____ Grace period: _____ 1st year capital cost: _____ (see section 7.2)

Insurance policy: _____

Instalment period	Outstanding capital	Instalment	Capital repayment	Interest	Insurance
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
Total					

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START YOUR BUSINESS

Business Plan

Have you developed a business idea using the SYB manual?

Use the **SYB Business Plan** booklet to construct a business plan based on your business idea. This booklet accompanies the manual and serves as a blueprint for starting a business.

SYB is part of the 'Start and Improve Your Business' family of management training courses for start-ups and small entrepreneurs. The programme builds on 25 years of experience working in 100 countries, partnering with 2500 local institutions, 200 certified Master Trainers and a network of over 17,000 Trainers. It has reached 6 million clients to date and these numbers are only increasing!

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