

# Business Plan

Entrepreneurship development is now considered one of the key paths to economic growth especially in a developing economy like ours. The rate of industrial development, economic growth and employment generation depend upon entrepreneurship development. Business Plan is a vital tool for entrepreneurs. It is a blueprint which guides the entrepreneurs on appropriate and effective steps to be taken at each stage of their business.

Business plan is not just for a start-up company but also for existing companies to aid their growth and survival. SME entrepreneurs need a roadmap for marketing management, production management, human resource management, sales forecasting, optimum utilization of raw materials and resources, risk assessment, risk management, financial analysis including profit and loss account, productivity improvement and other aspects which can be addressed through a comprehensive business plan. Moreover, business plan can be a major reference document for banks and other financial institutions for assessing the credit worthiness of the entrepreneurs or enterprises.

This general business plan template has been designed to accommodate any type of business. Directions and tables are included in different parts of the template. Some of these may not be relevant for your business. If necessary and if relevant to your business, additional information beyond the outline of this template can also be attached. Users of the template are free to include or exclude information based on their business specifications. Please note that all the information, data and findings in the business plan must be realistic and with proper references or acknowledgment wherever appropriate.

# Business Plan Template

Please include the following three things at the beginning of the business plan:

1.	Cover Page
2.	Table of Contents
3.	Executive Summary

## Cover Page

Please mention the title as 'Business Plan' in the Cover Page and include the followings:

1.	Name of enterprise
2.	Name of entrepreneurs
3.	Logo of the Company (if any)
4.	Address (Office & factory)
5.	Phone / Mobile no.
6.	Fax
7.	E-mail
8.	Website

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Sl	Content	Pages
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## I. Executive Summary

In this section	<ul style="list-style-type: none"><li>▪ Provide a snapshot of the company, entrepreneur and rationale of undertaking the business initiative</li><li>▪ Provide basic information of the business such as: product, customer, future plan etc.</li><li>▪ Describe the USP (unique selling proposition) of your product/service.</li><li>▪ Mention the date of establishment/incorporation of the business</li><li>▪ Mention the nature of business</li><li>▪ Mention the size of the workforce required for the business</li><li>▪ Summarize financial analysis, source of fund and its utilization etc.</li><li>▪ Please limit the summary within a single page</li></ul>
By this section	<ul style="list-style-type: none"><li>▪ Give the reader a basic understanding about your business.</li><li>▪ Create an interest to learn more about your business.</li></ul>

## II. Brief Description of the Business

1. **Name of the Business** :
2. **Nature of Business** : What is the nature of business? Manufacturing/ Service/ Trading
3. **Sector/Industry** :
4. **Objectives** :
5. **Employment** :

	Skilled	Semi-skilled	Unskilled
Permanent			
Temporary			
<b>Total</b>			

**6. Brief Introduction of the Entrepreneur(s) :**

Which are the skills and qualifications of the entrepreneur(s)?

Sl	Name & Address	Educational Qualification	Business Experience
1			
2			
3			
4			

**7. Type of Ownership** : Sole Proprietorship/ Partnership/ Limited Company

**8. Total Investment** :

Initial Investment	Fixed Asset	Current Asset	Total



**9. Loan & Equity :**

Loan	Equity	Total

**10. Potential Markets:**

In which areas does the product market exist?
In which countries does the product have potential for export?

Local	International

**III. Description of Product/ Service**

What are the products/ services?
Describe the most important features of the products/services.
What are the comparative advantages and disadvantages of the product/ service?

**IV. Marketing Plan**

Clear concept on market is necessary to make marketing plan. Market research is important in this regard. Marketing plan should be specific, informative and with reference.

**1. Major Competitors and their position in the market**

Identify your major competitors Rank them in order of their position in the market.
--

Sl	Competitors	Position
1		
2		

**2. Comparison of product/service with competitors**

	Strength	Weakness	Opportunity	Threat
Your business				
Competitor 1 (local)				
Competitor 2 (local)				

**3. Marketing Area:**

In which areas will you market your products?
Does your product have international market? Where?

**4. Target Customer:**

Who will be the target customer segment of this product/ service in the market?
What are the characteristics of the target group? (Quality or price conscious?)
In which situation are they eager to buy? What factors do they consider when they buy?)

**5. Price:**

How much will you spend for marketing your products/services?
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Serial	Product Category	Unit Price

**6. Sales Forecasting:**

How many units of products will be sold in the market?
How much (in BDT) do you expect to sell? (3 years)

Year	Projected Sales			
	Description of Product	Quantity	Unit Price	Total Taka

**7. Marketing Strategy:**

What should be the marketing strategy to achieve the sales target?
Who will be the target customers? How will you identify and approach potential market?

(a) Promotional Strategy:

What should be the promotional strategy to sell the product? (Different media like newspaper, magazine, radio, TV, yellow page, sales kit/ promotional materials (brochure), trade show etc.)
What are the most important features that will attract the customers?

(b) Price Strategy:

Mention the strategy and method to determine the price of the product?
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(c) Market Expansion Strategy:

How will you expand your market?
----------------------------------

(d) Distribution Strategy:

What is the distribution channel of your product/ service? (Wholeseller/Distributor/Retailer/Others)
What strategy will you take to choose the location of business?

**8. Marketing Budget (Yearly):**

How much will you spend for marketing your products/services?
---

Item	Budget
(a) Promotion	
(b) Distribution of product	
(c) Sales Commission	
(d) Others (Specify)	
<b>Total</b>	

**9. Risk of business:**

What are the expected risks in your business? What steps can be taken to manage these risks?
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Put tick mark

- Weather                       Flood  
 Fire                                 Earthquake  
 Others (please specify):

**10. Seasonal Trends:**

What is the peak season and off season of your business?
--

	Month/Duration
(a) Peak Season	
(b) Off Season	

## V. Operations Plan

**1. Stages in Production Process:**

Describe the production process. What are the steps in the production process? Explain with Flow Chart. What Quality Control chekcs and Standards should be maintained?
---

**2. Project Implementation Schedule:**

How much time is required to implement the project? Mention the time required for each activity.
--

Sl	Activity	Duration

**3. Production Capacity:**

What is the yearly production capacity? (Quantity in units & Value in BDT)

Product	Units	Time	Quantity	Unit Price	Taka
		1 year			
		1 year			
		1 year			
		1 year			
<b>Total</b>					

**4. List of Fixed Assets and their Depreciation:**

Identify your fixed assets and their corresponding cost of depreciation.

Fixed Assets	Quantity	Price	Durability of Assets	Depreciation (In Taka)
Land (No need to mention depreciation)				
Building				
Machinery & Equipment				
(1)				
(2)				
(3)				
Furniture & Fixture				
Transport (Van, truck if any)				
Others (Specify)				
<b>Total</b>				

Rate of depreciation: Building@ 5% each year, Machineries & Equipment @ 10% each year, Furniture & Fixture and Transport @ 20% each year.

**5. Repair and Maintenance Cost of Fixed Assets:**

What is the life span of the fixed assets?  
How will you maintain the functionality/ usability of these assets?

Fixed Asset	Repair and Maintenance Cost
<b>Total</b>	

**6. Cost of Raw Materials (yearly):**

What is the requirement of raw materials?
What will be the cost of raw materials?
What is the source of raw materials? Are the raw materials available round the year?
Who is/are the supplier(s) of raw materials?

Description of Raw Materials	Unit	Quantity	Unit Price	Cost (Taka)
<b>Total</b>				

**7. Workforce Engaged in Production:**

How many direct or indirect workers will be engaged in production?
What level/category of skill is required?
Are the workers trained? If not, how they will be trained?
How much wages will they be paid?
Are the workers available round the year? If not, what is the impact of this on production?

Designation	Wages (yearly)
<b>Total</b>	

**8. Factory Overhead Cost:**

How much is the factory's overhead cost?
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Sl	Description	Ref	Cost (yearly)
1	Utilities (gas, electricity, water)		
2	Depreciation of fixed assets	V. Operation Plan- (4)	
3	Repair and maintenance cost	V. Operation Plan- (5)	
4	Rent (land, building, machine etc. if any)		
5	Others (Specify)		
	<b>Total</b>		

**9. Production Cost:**

What will be the production cost of the product/service?
--

Sl	Description	Ref.	Cost (yearly)
1	Cost of Raw Materials	V. Operation Plan- (6)	
2	Wages	V. Operation Plan- (7)	
3	Factory Overhead Cost	V. Operation Plan- (8)	
	<b>Total</b>		

**10. Inventory Management:**

What is your plan for inventory management?
What type of inventory (raw materials, finished goods etc) will you store?

Is the storage space/warehouse owned by you or rented?
How do you plan to maintain security of the premises?

## VI. Organization and Management Plan

### 1. Organizational Structure:

What is the Organizational Structure of the business?
Who will be in the management team? What are their experiences and qualifications?

Sl	Name	Experience	Qualification
1			
2			
3			
4			

### 2. Associate/Partner Organizations

Do you have any partnership or association with other organizations?
If yes, give a brief description of your partner/associate organizations.

### 3. Succession Plan

In absence of the proprietor, who will manage the business? Describe the succession plan.
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### 4. Business Start-up Activities and Cost:

What are the business start-up activities?
What is the business start-up cost?

Sl	Business Start-up Activities	Time	Cost
1	Business Plan preparation		
2	Registration and license for business		
3	Application for loan		
4	Contract/Agreement		
5	Purchase of land/ Rent (only time)		
6	Connection of utilities (gas, electricity, water)		
7	Recruitment		
8	Others		
	<b>Total</b>		

### 5. Office Equipment:

What will be the cost of fixed assets in office?
--

Fixed Asset	Cost	Duration	Depreciation

<b>Total</b>			
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**6. Salary of the Employees:**

Sl	Designation	Salary (yearly)
	<b>Total</b>	

**7. Administrative Expenses:**

What will be the administrative expenses?

Sl	Description	Ref.	Cost (In Taka)
1	Depreciation of Office Equipment	VI. Organization and Management Plan- (5)	
2	Salary of Employees	VI. Organization and Management Plan- (6)	
3	Office Rent		
4	Office Utilities (gas, electricity, water etc.)		
5	Postage, Telephone etc.		
6	Stationaries		
7	Entertainment		
8	Others (Specify)		
	<b>Total</b>		

**8. Monitoring and Evaluation (M&E)**

How will you monitor the progress of implementation of the plan?  
What are your objectively verifiable indicators of success?

**9. Business Social Responsibility (BSR)**

What activities you will undertake to fulfill your responsibility towards the community?

**10. Research and Development (R&D)**

Are there areas or issues related to your proposed business that need to be studied further?  
What are your prospects in terms of the present and future development of the business?

**11. Training & Development**

How will you build the capacity/skills of your management and employees?

## VII. Financial Plan

**1. Fixed Assets:**





assets								
<b>Total Investment</b>								

**6. Schedule of Loan Repayment:**

What will be the schedule of loan repayment?

Year	Installment	Interest	Total Paid	Balance

**7. Income Statement:**

Please present your projected Income Statement?

Items	Current Year	Year 1	Year 2	Year 3
Sales				
(-) Net VAT				
Net Sales				
(-) Cost of Goods Sold				
Gross Profit				
(-) General Administrative and sales expenditure				
Net Profit Before Interest and Tax				
(-) Interest on bank loan				
Net Profit Before Tax				
(-) Tax				
<b>Net Profit After Tax</b>				

**8. Break-Even Point**

What is the Break-Even Point? Represent in a graph (if possible)

Description	Fixed Cost	Variable Cost
<b><u>Variable Cost</u></b>		
<b><u>Fixed Cost</u></b>		

<b>Total Fixed Cost</b>		
<b>Total Variable Cost</b>		

### 9. Projected Balance Sheet

Please present your projected balance sheet

Item	Current Year	Year 1	Year 2	Year 3
<b>ASSETS AND PROPERTIES</b>				
<b>Current Assets</b>				
Cash and Bank balance				
Inventory				
Accounts Receivables				
Prepaid Expenses				
Other current assets				
<b>Total Current Assets</b>				
<b>Fixed Assets</b>				
Preliminary expenses				
Machinery & equipment				
Furniture & Fixture				
Security Deposits				
Land & Building				
Rental advance (prepaid rent)				
Vehicles & Transport				
Other fixed Assets				
Less accumulated depreciation on all fixed assets				
<b>Total Fixed Assets</b>				
<b>LIABILITIES AND OWNERS EQUITY</b>				
<b>Liabilities</b>				
<b>(a) Short term liabilities/ Current liabilities</b>				
Cash credit				
Accounts Payable				
Interest Payable				
Taxes Payable				
Outstanding expenses				
<b>Total Short term liabilities</b>				
<b>(b) Long term liabilities</b>				
Bank loan payable				

Mortgage payable				
(-) Current portion of long term liabilities				
<b>Total Long term liabilities</b>				
<b>Total liabilities</b>				
<b>Owners Equity</b>				
Initial capital				
Retained Earnings				
Profit for the year				
<b>Total Owners Equity</b>				
<b>Total Liabilities &amp; Equity</b>				

## 10. Cash Flow Statement

Please present your projected Cash Flow statement.

Projected Cash Flow [Year]	Current Year	Year 1	Year 2	Year 3	Year 4	Year 5
<b>OPENING BALANCE</b>						
<b>Cash inflows</b>						
Sales						
Equity						
Loan						
Asset sales						
Debtor receipts						
Other income						
<b>Total Cash inflows</b>						
<b>Cash outflows</b>						
Marketing Expenses						
Capital Expenses						
Cost of raw materials						
Wages						
Factory Overhead Expenses (Utility, repair& maintenance, rent)						
Start-up cost						
Office Equipment						
Salary						
Administrative expenses						
Bank fees & charges						
Interest paid						
Lease/loan payments						
Income Tax						
Others (Specify)						

<b>Total Cash outflows</b>						
<b>Cash balance</b>						
<b>CLOSING BALANCE</b>						

### 11. Performance of the Company (For existing enterprise only)

What was the performance of the company during last 3 years?

Period	Total Revenue (Tk.)	Total Expenses (Tk)	Gross Profit (Tk.)	Other Expenses (Tk)	Net Profit (Tk.)

## VIII. Other Courses of Action

### 1. Environmental Issues:

How does your plan address environmental issues such as: waste management, sustainable development of raw materials, emissions, green business, ecological balance, etc?  
 How will you use green technology/ energy efficient equipment in your business?  
 Do you require any clearance from Department of Environment? Which category does your business fall in terms of location and influence on environment?  
 Is there a need for environment friendly waste management plant? Do you plan to use it?

### 2. Ethical Issues:

What actions will you take to maintain ethical standards of your business in terms of monopoly, fairness in market, loss, profit, etc.

### 3. Legal Issues:

How will you comply with existing policies, rules and regulations related to your business?

### 4. Intellectual Property Issue:

How will you protect the name of your business, its products and services in terms of patent, design, trademark, Licensing, copyright etc.

### 5. Working Environment:

How will you promote peace and harmony in the working environment?

### 6. Networking Linkage/ Partnership:

How will you establish and maintain sound partnership with stakeholders?

**7. Safety and Security Issues:**

What measures will you implement to ensure the safety and security of the employees and the organization?

**8. Use of ICT**

Do you plan to use ICT (e.g. accounting software, e-commerce, MIS) to manage your business? If yes, how will ICT be applied in your business?

## **IX. Conclusion**

Conclusion of the Business Plan

## X. Appendices

Please attach the following documents as per availability:

1. Brief biography with copy of national ID of all entrepreneurs
2. Company brochure (if any)
3. Market research report
4. Sector study report
5. Detail list of machineries
6. Copy of Balance Sheet, Income Statement and Cash Flow statement of previous year (for existing enterprise)
7. Trade license, Certificate of Incorporation, Memorandum of Articles, Article of Association, Partnership deed (for existing enterprise)
8. TIN certificate, VAT registration (for existing enterprise)
9. Factory/Office Layout plan
10. Clearance from Department of Environment, Fire License, Boiler registration certificate etc (if applicable)
11. Bank Statement (for existing enterprise)
12. Loan sanction letters (if any loans availed)
13. Other supporting documents of information and data used in business plan

## Annex-I: Financial Ratio Analysis

### Production Cost

$$\text{Unit Cost of Product} = \frac{\text{Total Production Cost (V. Operation Plan- 9)}}{\text{Total No. of Units produced (IV. Marketing Plan (6))}}$$

### Ratios related to Income Statement

Ratio		Ref.	Result
Return on Investment or ROI %	=	$\frac{\text{Net Profit}}{\text{Total Investment (VII. Financial Plan- 4)}} \times 100$	
Gross Profit ratio/ Margin	=	$\frac{\text{Gross Profit}}{\text{Net Sales}}$	
Operating Profit Ratio	=	$\frac{\text{Earnings before interest and taxes (EBIT)}}{\text{Net Sales}}$	
Net Profit Ratio/ Margin	=	$\frac{\text{Earnings after taxes (EAT)}}{\text{Net Sales}}$	
Interest Coverage Ratio	=	$\frac{\text{Earnings before interest \& taxes}}{\text{Interest}}$	

### Break-Even Point

Description		Ref.	Result
Break-Even Point	=	$\frac{\text{FC}}{\text{(S-v)}}$	
	=	$\frac{\text{Total Fixed Cost in first year (FC)}}{\text{Unit Price of Product (S) - } \frac{\text{Total Variable Cost in first year (VC)}}{\text{Total production in first year (P)}}$	

## Balance Sheet related Ratios

Ratio		Ref.	Result
Acid-Test/ Quick Ratio	=	$\frac{\text{Quick assets}}{\text{Current Liabilities}}$	
Current Ratio		$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	
Net Working Capital	=	$\text{Total Current Assets} - \text{Total Current Liabilities}$	
Debt Equity Ratio	=	$\frac{\text{Total Debt (long term debt + current liabilities)}}{\text{Equity}}$	
Leverage Ratio or Debt/Worth Ratio	=	$\frac{\text{Total Liabilities}}{\text{Net worth}}$	
Return on asset (RoA)	=	$\frac{\text{Net Profit after tax}}{\text{Total asset}}$	

## Internal Rate of Return (IRR)

Determination of Internal Rate of Return using Discount Cash Flow (DCF) method:

1. Determine the Fake Pay Back Period of the proposed investment (project cost)

$$\text{Pay Back Period} = \text{Project Cost} / \text{Annual Cash Inflow}$$

2. Find out 2 discount rates closer to Fake Pay Back Period from Table- A4 (One bigger and one smaller than that)

3. Find out Present Value (PV) of 2 discount rates

$$\text{PV} = \text{Cash Inflow} \times \text{Discount rate}$$

4. Find out 2 Net Present Value (NPV)

$$\text{NPV} = \text{PV} - \text{Project Cost}$$



- Determine Internal Rate of Return by interpolation

$$\text{Internal Rate of Return (IRR)} = A + [C/C-D] (B-A)$$

where, A = Lower discount rate

B= Higher discount rate

C= NPV at lower discount rate

D= NPV at higher discount rate

**Alternative Method:**

Internal Rate of Return could be determined by using IRR formula of Microsoft Excel.

The screenshot shows a Microsoft Excel spreadsheet titled "BPC-IRR [Compatibility Mode]". The formula bar displays "=IRR(B4:B9)". The spreadsheet data is as follows:

	A	B	C	D	E	F
1						
2	Cost of Capital	15%				
3	Year	Project 1				
4	0	-1,250,000				
5	1	250,000				
6	2	350,000				
7	3	450,000				
8	4	500,000				
9	5	750,000				
10	IRR	20.13%				
11	NPV	\$186,683				
12						