

18.2.0 BUSINESS PLAN

18.2.1 Introduction

This module unit is designed to equip the trainee with knowledge, skills and attitudes to enable him/her prepare a business plan.

18.2.2 General Objectives

By the end of the module unit, the trainee should be able to:

- a) draw organization and management plan
- b) develop an operational plan
- c) develop an effective promotion and advertising strategy
- d) prepare a customer service strategy
- e) prepare financial projections
- f) prepare a business plan

18.2.3 Module Unit Summary and Time Allocation

Code	Sub - Module Unit	Content	Time (Hrs)		
			Theory	Practice	Total
18.2.01	Introduction to Business Planning	<ul style="list-style-type: none">• Meaning of business plan• Purpose of a business plan• Features of a business plan• Guidelines for developing an effective business plan	2	2	4
18.2.02	Business Description	<ul style="list-style-type: none">• Business name• Business location and address• Form of ownership• Type of business• Products/ services• Justification of the opportunity• The industry• Business goals and objectives• Entry and growth strategy• SWOT analysis	4	2	6
18.2.03	Marketing Plan	<ul style="list-style-type: none">• Competitor analysis• Market share	3	3	6

Code	Sub - Module Unit	Content	Time (Hrs)		
			Theory	Practice	Total
		<ul style="list-style-type: none"> • Promotion and advertising • Pricing strategy • Sales target • Sales tactics • Distribution strategy • Customer service strategy 			
18.2.04	Organization and Management Plan	<ul style="list-style-type: none"> • Organization structure • Management team • Other business personnel • Recruitment, training and promotion • Remuneration and incentives • Licenses, permits and other requirements • Supporting services 	4	2	6
18.2.05	Operational and Production Plan	<ul style="list-style-type: none"> • Production facilities and capacity utilization • Production and operation strategy • Production process • Regulations affecting operations • Operational time table/production schedule 	4	2	6
18.2.06	Financial Plan	<ul style="list-style-type: none"> • Determination of pre-operational cost • Determination of working capital • Determination of cash-flow projections • Preparation of pro-forma income statements • Preparation of pro-forma balance sheets • Determination of break-even point • Determination of profitability ratios 	4	2	6

Code	Sub - Module Unit	Content	Time (Hrs)		
			Theory	Practice	Total
		<ul style="list-style-type: none"> • Determination of desired financing • Determination of proposed capitalization potential 			
18.2.07	Presentation	<ul style="list-style-type: none"> • Business plan writing • Presentation of the business plan 	-	6	6
18.2.08	Emerging Trends	<ul style="list-style-type: none"> • Emerging issues in business planning • Challenges posed by emerging trends and issues • Strategies in dealing with challenges posed by emerging issues 	4	-	4
Total			25	15	44

18.2.01 INTRODUCTION TO BUSINESS PLANNING

Theory

- 18.2.01T *Specific Objectives*
By the end of the sub-module unit, the trainee should be able to:
- a) explain the meaning of a business plan
 - b) explain the purposes of a business plan
 - c) explain the features of a business plan
 - d) explain guidelines for developing an effective business plan

- 18.2.01C Competence**
The trainee should have the ability to:
- i) Identify the features of a business plan
 - ii) Draw guidelines for developing an effective business plan

Content

- 18.2.01T1 Meaning of a business plan
- 18.2.01T2 Purpose of a business plan
- 18.2.01T3 Features of a business plan
- 18.2.01T4 Guidelines for developing an effective business plan

Practice

- 18.2.01P *Specific Objectives*
By the end of the sub-module unit, the trainee should be able to:
- a) identify the features of a business plan
 - b) draw guidelines for developing an effective business plan

Content

- 18.2.01P1 Features of a business plan
- 18.2.01P2 Guidelines for developing an effective business plan

Suggested

Teaching/Learning

Resources

- Sample business plan write-up materials

18.2.02 BUSINESS DESCRIPTION

Theory

- 18.2.02T *Specific Objectives*
By the end of the sub-module unit, the trainee should be able to:
- a) provide the business name
 - b) describe business location and address
 - c) explain forms of ownership

- d) explain the type of business
- e) describe the products/services offered
- f) explain the justification of opportunity
- g) describe the industry
- h) explain the goals and objectives of the business
- i) explain the entry and growth strategy
- j) explain Strengths, Weaknesses, Opportunities and Threats (SWOT)analysis

- 18.2.02T8 The goals and objectives
- 18.2.02T9 Entry and growth strategy
- 18.2.02T10 SWOT analysis

Practice

- 18.2.02P *Specific Objectives*
By the end of the sub-module unit, the trainee should be able to:
 - a) develop business names
 - b) analyze forms of ownership
 - c) list types of businesses
 - d) examine the products/services offered

18.2.02C Competence

- The trainee should have the ability to:
- i) develop business names
 - ii) analyse forms of ownership
 - iii) examine the products/services offered

Content

- 18.2.02T1 Business name
- 18.2.02T2 Business location and address
- 18.2.02T3 Form of ownership
- 18.2.02T4 Type of business
- 18.2.02T5 Products/services offered
- 18.2.02T6 Justification of opportunity
- 18.2.02T7 The industry

Content

- 18.2.02P1 Business name development
- 18.2.02P2 Form of ownership
- 18.2.02P3 Type of business
- 18.2.02P4 Products/services offered

Suggested Teaching/Learning Resources

- Sample business plan write-ups
- Business journals

18.2.03 MARKETING PLAN

Theory

18.2.03T *Specific Objectives*

By the end of the sub-module unit, the trainee should be able to:

- a) explain competitors analysis
- b) determine the market share
- c) explain the methods of promotion and advertising
- d) explain the pricing strategy
- e) explain sales target
- f) explain the sales tactics
- g) explain the distribution strategy
- h) explain the customer service strategy

18.2.03C **Competence**

The trainee should have the ability to:

- i) Identify potential customers
- ii) Identify the competitors
- iii) Determine the methods of promotion and advertising
- iv) Examine the factors to consider in pricing
- v) Identify the sales tactics

- vi) Analyze the distribution strategy
- vii) Draw the customer service strategy

Content

- | | |
|-----------|--------------------------------------|
| 18.2.03T1 | Competitors analysis |
| 18.2.03T2 | Determination of the market share |
| 18.2.03T3 | Methods of promotion and advertising |
| 18.2.03T4 | Pricing strategy |
| 18.2.03T5 | Sales target |
| 18.2.03T6 | Sales tactics |
| 18.2.03T7 | Distribution strategy |
| 18.2.03T8 | Customer service strategy |

Practice

- | | |
|----------|---|
| 18.2.03P | <i>Specific Objectives</i> |
| | By the end of the sub-module unit, the trainee should be able to: |
| | a) identify potential customers |
| | b) identify competitors |
| | c) determine the methods of promotion and advertising |
| | d) examine the factors to consider in pricing strategy |
| | e) identify the sales tactics |
| | f) analyze the distribution strategy |
| | g) draw the customer service strategy |

- Content*
- 18.2.03P1 Identification of customers
 - 18.2.03P2 Competitors analysis
 - 18.2.03P3 Methods of promotion and advertising
 - 18.2.03P4 Pricing strategy
 - 18.2.03P5 Sales tactics
 - 18.2.03P6 Distribution strategy
 - 18.2.03P7 Customer service strategy

Suggested Teaching/Learning Resources

- Sample business plans write-up materials
- Business journals

18.2.04 ORGANIZATION AND MANAGEMENT PLAN

Theory

- 18.2.04T *Specific Objectives*
By the end of the sub-module unit, the trainee should be able to:
- a) describe the organization structure
 - b) describe the management team
 - c) explain other business personnel
 - d) explain recruitment, training and promotion of personnel
 - e) explain remuneration and incentives for personnel

- f) explain licenses, permits and other legal requirements
- g) explain support services

18.2.04C Competence

The trainee should have the ability to:

- i) Draw organization structure
- ii) Assemble a management team
- iii) Develop a management plan

Content

- 18.2.04T1 Organization structure
- 18.2.04T2 Management team
- 18.2.04T3 Other business personnel
- 18.2.04T4 Recruitment, training and promotion of personnel
- 18.2.04T5 Remuneration and incentives for personnel
- 18.2.04T6 Licences, permits and other legal requirements
- 18.2.04T7 Support services

Practice

- 18.2.04P *Specific Objectives*
By the end of the sub-module unit, the trainee should be able to:
- a) draw organization structures
 - b) assemble a management team
 - c) develop a management plan

- Content*
- 18.2.04P1 Organization structure
 - 18.2.04P2 Management team
 - 18.2.04P3 Management plan

- Suggested Teaching/Learning Resources*
- Sample business plan write-up materials
 - Sample organisation plan

18.2.05 OPERATIONAL AND PRODUCTION PLAN

Theory

- 18.2.05T *Specific Objectives*
By the end of the sub-module unit, the trainee should be able to:
- a) explain production facilities and capacity utilization
 - b) explain the production and operation strategy
 - c) explain the production process of the products
 - d) explain the regulations affecting operations
 - e) explain the operation time table/production schedule

18.2.05C Competence

- The trainee should have the ability to:
- i) Identify production facilities and capacity

- ii) Draw the production process of the products

- Content*
- 18.2.05T1 Production facilities and capacity
 - 18.2.05T2 Development of a production and operation strategy
 - 18.2.05T3 Production process of the products
 - 18.2.0 5T4 Regulations affecting operations
 - 18.2.0 5T5 Operation time table/production schedule

Practice

- 18.2.05P *Specific Objectives*
By the end of the sub-module unit, the trainee should be able to:
- a) identify production facilities and capacity
 - b) develop a production and operation strategy
 - c) prepare operation time table/production schedule

- Content*
- 18.2.05P1 Production facilities and capacity
 - 18.2.05P2 Development of production and operation strategy

18.2.05P3 Preparing operation timetable/production schedule

Suggested Teaching/Learning Resources

- Sample production schedule
- Business journals

18.2.06 FINANCIAL PLAN

Theory

18.2.06T *Specific Objectives*

By the end of the sub-module unit, the trainee should be able to:

- a) determine pre-operational costs
- b) determine estimate working capital
- c) determine cash-flow projections
- d) prepare pro-forma income statements
- e) prepare pro-forma balance sheets
- f) determine break-even point
- g) determine profitability ratio
- h) determine desired financing
- i) determine proposed capitalization
- j) explain potential risks

18.2.06C Competence

The trainee should have the ability to:

- i) determine pre-operational costs
- ii) estimate working capital
- iii) estimate cash-flow projections
- iv) prepare pro-forma income statements
- v) prepare pro-forma balance sheets
- vi) calculate break-even point
- vii) calculate profitability ratios

Content

- 18.2.0 6T1 Determination of pre-operational costs
- 18.2.0 6T2 Determination of working capital
- 18.2.0 6T3 Determination of cash-flow projections
- 18.2.0 6T4 Preparation of pro-forma income statements
- 18.2.0 6T5 Preparation of pro-forma balance sheets
- 18.2.0 6T6 Determination of break-even point
- 18.2.0 6T7 Determination of profitability ratios
- 18.2.0 6T8 Determination of Calculation of desired financing
- 18.2.0 6T9 Calculation of proposed capitalization
- 18.2.06T10 Potential risks

Practice

- 18.2.06P *Specific Objectives*
By the end of the sub-module unit, the trainee should be able to:
- a) determine pre-operational costs
 - b) estimate working capital
 - c) estimate cash-flow projections
 - d) prepare pro-forma income statements
 - e) prepare pro-forma balance sheets
 - f) calculate break-even point
 - g) calculate profitability ratios

Content

- 18.2.06P1 Determination of pre-operational costs
- 18.2.06P2 Estimating of working capital
- 18.2.06P3 Estimating of cash-flow projections
- 18.2.06P4 Preparation of pro-forma income statements
- 18.2.06P5 Preparation of pro-forma balance sheets
- 18.2.06P6 Determination of break-even point
- 18.2.06P7 Calculation of profitability ratio

Suggested Teaching/Learning Resources

- Sample business plan write-up materials
- Financial journals

- Calculator
- Computer

18.2.07 PRESENTATION

Theory

- 18.2.07T *Specific Objectives*
By the end of the sub-module unit, the trainee should be able to:
- a) write the final business plan
 - b) make a presentation of the business plan

18.2.07C Competence

- The trainee should have the ability to:
- i) Write the final business plan
 - ii) Make a presentation of the business plan

Content

- 18.2.07T1 Writing the final business plan
- 18.2.07T2 Presentation of the business plan

Suggested Teaching/Learning Resources

- Sample business plan write-ups
- Text books
- Calculator
- Computer

18.2.08 EMERGING TRENDS AND ISSUES

Theory

18.2.08T *Specific Objectives*

By the end of the sub-module unit, the trainee should be able to:

- a) explain the emerging trends in business planning
- b) explain the challenges posed by the emerging trends and issues
- c) explain various ways of coping with challenges

18.2.08C **Competence**

The trainee should have the ability to:

- i) Identify emerging issues/trends
- ii) Report on challenges of emerging trends
- iii) Interpret ways of adapting to the emerging trends

Content

- 18.2.08T1 Emerging trends in business planning
- 18.2.08T2 Challenges posed by the emerging trends and issues
- 18.2.08T3 Ways of coping with challenges

Practice

- 18.2.08P *Specific Objectives*
By the end of sub-module unit, the trainee should be able to:
- a) identify emerging issues/trends
 - b) report on challenges of emerging trends
 - c) interpret ways of adapting to the emerging trends

Content

- 18.2.08P1 Identification of emerging issues
- 18.2.08P2 Reporting on challenges of emerging issues
- 18.2.08P3 Interpreting ways of adapting to emerging trends