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102 – Induction to Pedagogy for NGO staff

Module 5 –

The NGEEnvironment Immersion Programme

Part 6: Business Plan

Prepared by
Rightchallenge



NGEEnvironment

Foster European Active Citizenship and Sustainability
Through Ecological Thinking by NGO's

ERASMUS+ Programme – Strategic Partnership
Agreement No.
2018-1-DE02-KA204-005014



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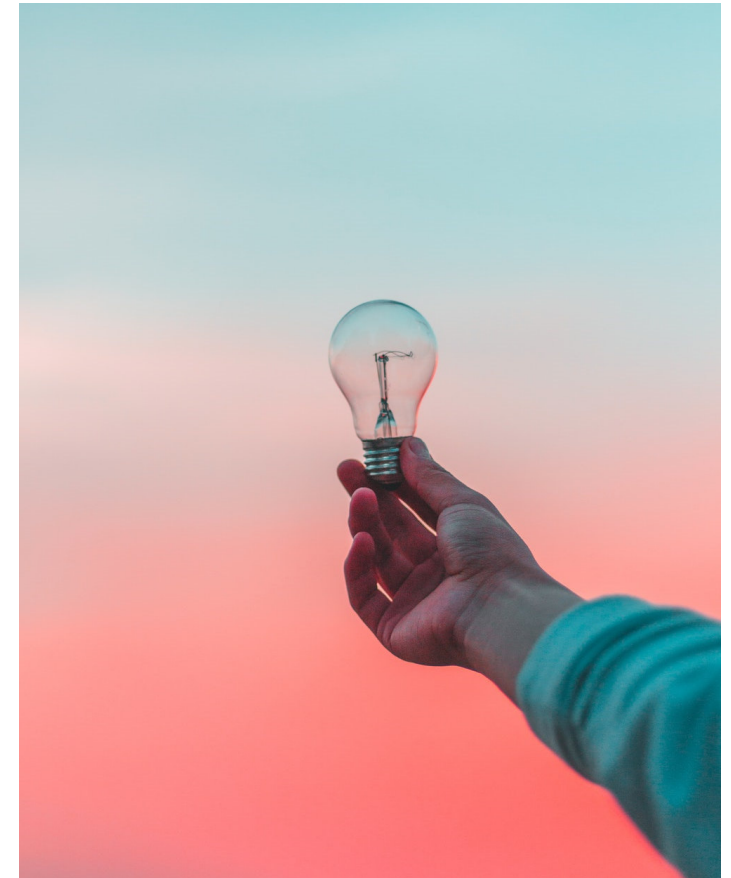
Agenda

6. Business Plan

6.1 The structure

6.2 The process

6.3 Business planning: do's and don'ts



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Learning Outcomes of Module 5

- ❖ Recognise the importance of Business models and value propositions
- ❖ Be able to reflect on their own resilience and its value in starting a business
- ❖ Understand the chances of being an entrepreneur with an own NGO
- ❖ Be able to develop a structured business plan
- ❖ Be able to pitch for approval of a business idea



Overview on Module 5: The NGEEnvironment Immersion Programme

Module/Unit	Learning Outcomes – The learner will:	Indicative Content
The NGEEnvironment Immersion Programme	<ul style="list-style-type: none"> • Understand the characteristics and structure of a Business Model • Understand the importance of the value proposition for NGOs and non-profits • Understand the development process of an NGO • Understand the entrepreneurial process to develop a sustainable business 	<ul style="list-style-type: none"> • Business Models • Value Proposition • Case studies NGOs development • Creation of own entrepreneurship ideas • Opportunity recognition and selection • Business plan • Pitching business ideas



6. Business plan

A business plan aims to “**describe and communicate** a for-profit or non-profit project and **how it can be implemented**, either inside or outside an organisation” (Osterwalder & Pigneur, 2010, p.268).



6.1 Business plan: the structure

An effective business plan must obey to **this following structure** (Osterwalder & Pigneur, 2010):

The team

The business
model

Financial
analysis

External
environment

Implementation
roadmap

Risk analysis



6.1 Business plan: the structure

1. The team

The team **is extremely important in any business plan**. Is your team experienced, knowledgeable and connected towards the same organisational purpose? **Highlight the value of your team**.

If your **organisation is an non-profit**, you can also refer your advisory board, if you have one. Describe your team's and board member's expertise and background (Growthink, 2019).



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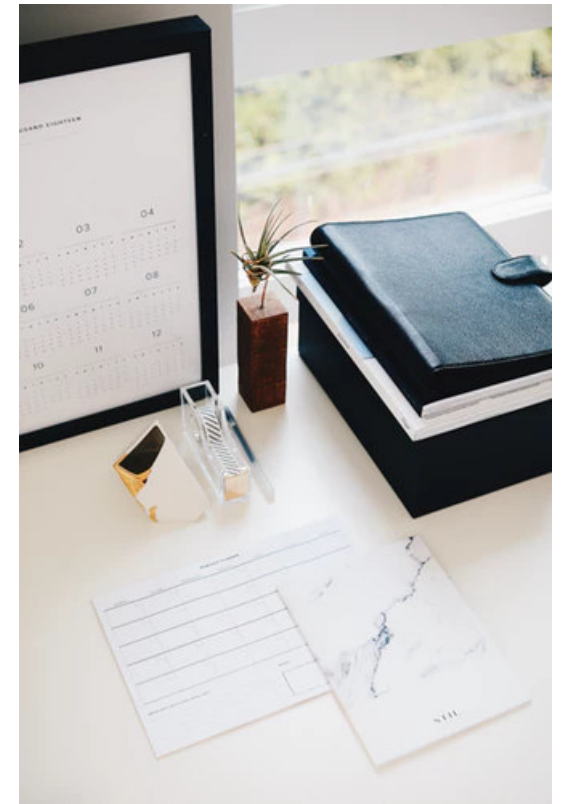
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6.1 Business plan: the structure

2. The business model

This section **shows the attractiveness of your business model!** The Business Model Canvas is a great tool to illustrate visually and creatively your model for the audience. If your organisation **is a non-profit**, you can also write the **type of products, services or social programs that your business provides.**



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6.1 Business plan: the structure

3. Financial analysis

Financial projections help entrepreneurs and investors to evaluate the potential success of an enterprise. If you need outside funding, **providing clear and objective financial reports is extremely important**. Total cost, revenue and cash flow projections will determine your funding requirement.

If your **organisation is an non-profit**, a financial plan **is still crucial** in your business. You can also explain **your fundraising plans and identify funding gaps**.



Source: *Unsplash*



6.1 Business plan: the structure

3. Financial analysis for non-profits

For a financial plan for non-profits, it's also important to outline the following issues
(Ibrisevic, 2017)

- ❖ Your non-profit's current and projected financial status;
- ❖ Include a cash flow statement, income statement, balance sheet and financial projections;
- ❖ Refer any grants that you've received or significant contributions;
- ❖ Include your fundraising plan, how you will manage them and identify funding gaps.



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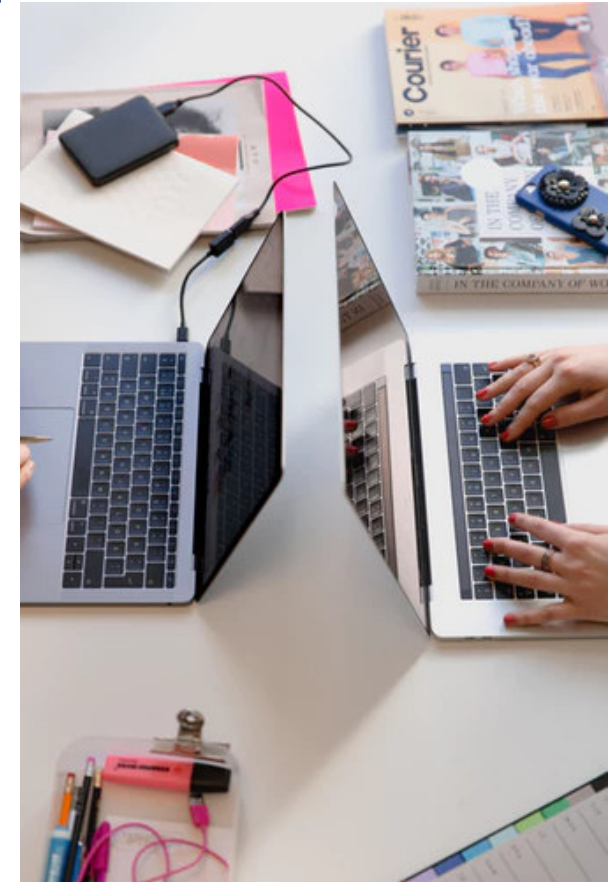
6.1 Business plan: the structure

4.External environment

The main four external forces can provide the basis for your description: **market forces, industry forces, key trends and macroeconomic forces.**

Topics to consider in the
external environment
section:

The economy
Market analysis and key trends
Competitor analysis
Competitor advantages of your business model

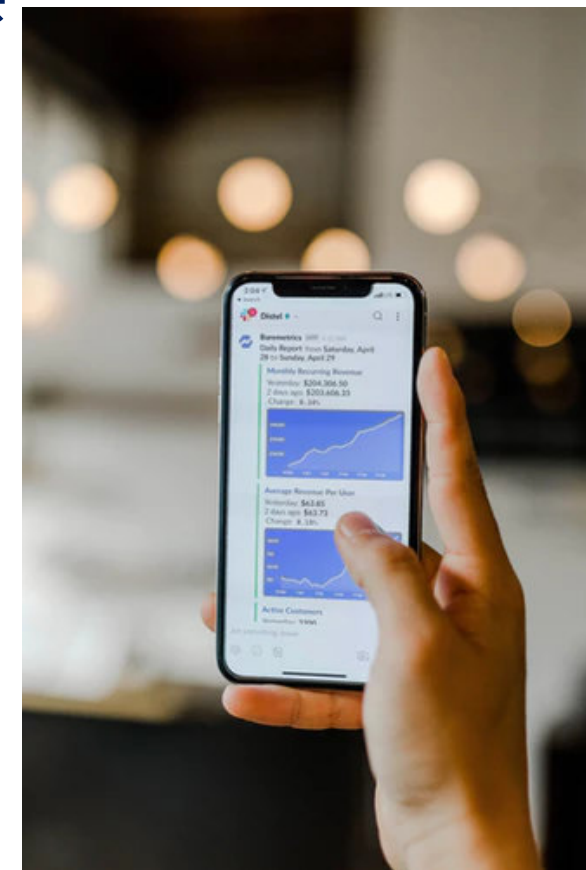




6.1 Business plan: the structure

5. Implementation roadmap

The implementation roadmap show your organisation **will achieve its goals and vision, with long-term objectives and deadlines.** It shows to the audience how will you implement your business model and what will it take do it. **To show your implementation roadmap, you can use Gantt charts, for example.**



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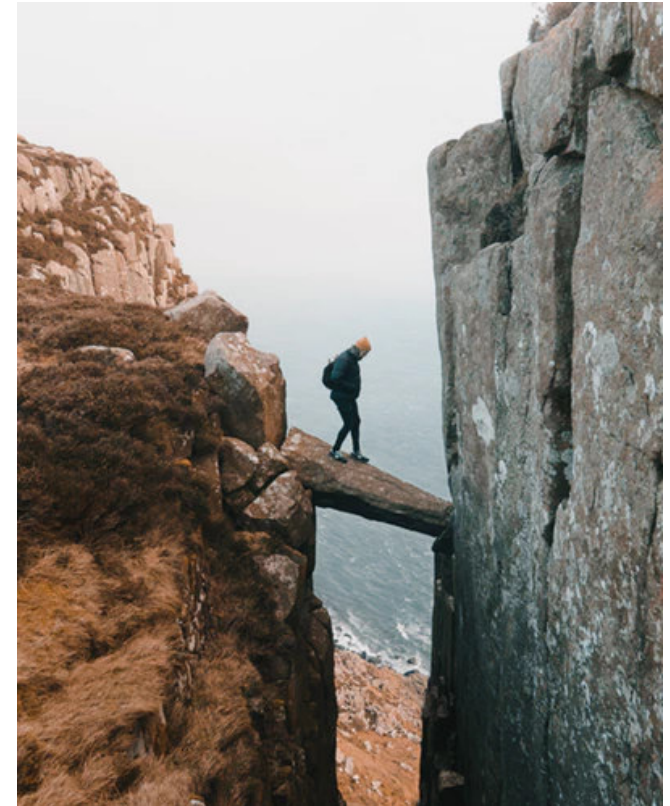
6.1 Business plan: the structure

6.Risk analysis

The risks analysis describes the **limiting factors and obstacles** that can be analysed from a SWOT analysis of our business model.

Topics to consider in the risk analysis section:

Limiting factors and obstacles
Critical success factors
Specific risks and countermeasures



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6.2 Business plan: the process

The business plan process includes 5 steps (Growthink, 2019):

1. Research

Read and **research as much as you can about your industry and talk to your audience**. You can use a variety of resources for research, such as databases, statistics, articles, interviews with other entrepreneurs and customers. The **business plan process always begin with the industry, customers and competitors research**.

2. Strategize

Revise the strategy that you planned even before the research phase and dig deeper into decisions of appropriate marketing, operations, finance, among others.



6.2 Business plan: the process

The business plan process includes 5 steps (Growthink, 2019):

3. Calculate

Insert your financial assumptions into a financial model that can produce a cash flow statement for you, specially in the first year of the business.

4. Draft


With the background work completed, it's time to **draft the narrative of every plan's sections.**

5. Revise and proofread

Revise the entire plan to see if you find irrelevant or redundant ideas and **proofread to see if you find grammatical, spelling or formatting errors.**



6.3 Business plan: do's and don't's

- 
- ✓ Write your business plan with **a simple, understandable and clear language**
 - ✓ Get to **the point** and support it with facts
 - ✓ Include **relevant graphs and program descriptions**
 - ✓ Include an **executive summary**
 - ✓ Provide **enough financial information**
 - ✓ Customise your **business plan for your customers**
 - ✓ Stay authentic and **creative**



Make your business plan **too long**

Overload the plan with text

Rush the process of **writing**

Gush about the cause **without providing clear understanding** of your business outcomes



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Thank you very much for your attention!

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