

Contents

4. BUSINESS PLANNING	3
Introduction	3
Glossary	4
4.1. Business Finance and New Financial Tools	5
Business Economics.....	5
Financial Management & Investments.....	7
Essential Digital Finance Tools for Business.....	9
Sustainable Finance	10
Public& Private Funding	10
Microfinance	11
Debt pay-off strategies	12
Crowdfunding	14
4.2. Analytical Accounting.....	17
Main Accounting Principles.....	17
Calculating the StartUp capital.....	17
Basics of treasury management	20
Financial Planning.....	23
4.3. Financial decision to ensure business sustainability	28
Financial Management	28
Type of Investments	30
Funding Opportunities - Fundraising.....	31
Divided Decisions	35
Creating a Debt-Reduction Strategy.....	37
4.4. Creating a Business Plan.....	3
What is the purpose of a business plan?	3
The Executive summary of a business plan	4
The Business Plan in Detail.....	5
Dos and DON'Ts	16



References..... 17

4.4. Creating a Business Plan

What is the purpose of a business plan?

A business plan's objective is to convey how your social enterprise (for-profit or not-for-profit) project will be implemented. The purpose of the business plan could be to 'sell' the project to potential investors or secure funding, or it could be to act as a guide for implementation. It can be employed in the early stages of a business, as well as for scaling and development. The work you've put in so far to build your business model (using a business model canvas or other tools) is the right foundation for writing a solid business plan. It provides an operational plan, which outlines which steps you will have to walk through on your way towards starting the social enterprise

- It is a method of communicating what your organization is about, as well as its values, mission, and vision, both externally and internally.
- It's also about acquiring investment, primarily for start-ups, but also for growing and development of existing enterprises.
- Finally, to synchronize the expectations and visions of all individuals participating in the startup.
-

The Business Plan is a dynamic document that can be utilized for obtaining further expansion capital, mergers and acquisitions, and guiding implementation beyond the start-up period.

What is it that users/readers of the business plan look for?

- if your social enterprise has a long-term competitive advantage
- What is the size of the market that this social venture wishes to tap into?
- Who is on the team, and how well do they collaborate?
- What does the road map for the next few years look like? How do you intend to expand?
- How thorough is the competitor analysis?
- How thorough is the financial projection for the company's operations and growth?

Useful Resources in Business Plan Preparation

Babele-

(<https://babele.co#!/about>) It is an open innovation centre that helps impact entrepreneurs in refining their strategies through **crowd- mentoring** and **peer-learning**

Strategyzer-

(<https://strategyzer.com/app>) You can use the Strategyzer app to generate your Business

Model Canvas as well as your Value Proposition. It has many useful features in refining your business model and from this will result a stronger Business Plan

Ruby Cup Example Business Plan- (review [here](#))

Review this example business plan before starting the exercises. Remember there are many different ways of preparing a business plan, so there are no right or wrong formats, as long as you cover the areas necessary for the users or readers of your business plan.

Ashoka is an international pioneering social entrepreneurship venture. They find, select, and support the world's leading social entrepreneurs (Ashoka Fellows). Find out more about their work [here](#).

'Unltd' are another big social entrepreneurship support company. Read more about their approach and work [here](#)

You can view some **example business plans** here, but beware of differences that exist between conventional enterprises and social enterprises. ([view here](#))

The Executive summary of a business plan

An executive summary of a business plan provides the reader with a high-level overview of the business opportunity and the rest of the plan. It describes the company's business model and outlines the main facts and tactics that support the company's growth. An executive summary is a brief summary of your entire business plan. You must keep it short and comprehensive in order to capture the reader's attention and persuade them that continuing to read is in their best interests.

An Executive Summary's Essential Elements

The executive summary should be concise and thorough. Its main components are:

- **The business statement** or business opportunity – In most cases, there is a market gap or problem that your company attempts to fill. Investors want to know if the world actually needs your company's products and/or services, thus this is your problem statement, and it must be included in the summary.
- **Your business concept** – In this section you describe how you intend to address and solve the problem. Your solution to the problem is called business model
- **Company history** - Past success is the strongest predictor of future success.
- **Industry** – Here you will describe the industry in which you engage, its size, and any trends that are influencing it positively or adversely.
- **The target market**, often known as a customer, is a group of people who are interested in.
- **Competition** – Knowing your competition and conducting market research are both essential for success.
- **Milestones** – Describe your timeline for major milestones or upcoming events.

- **Financial plan** – A concise financial summary should be provided in the summary, containing crucial details about how and where you plan to deploy the resources.
- **Management Team** – You also need to introduce the important members of your team .

Steps in the development of an executive summary

- Create a solid business plan
- Summarize your business in maximum two lines.
- Create the structure of the summary
- Cut it down to size.

When drafting a summary, keep the following points in mind:

- Don't give everything away in the summary; instead, focus on the key questions that your business plan will address.
- Make sure the theory is in order.
- Make sure the content of your summary corresponds to the content of your business plan.
- In the executive summary, avoid duplicating content.ⁱ

The Business Plan in Detail

The Team

Why you? is the main question this section of the business strategy should attempt to answer. It should tell the reader why you are the ideal person to make this Social Enterprise a success, and why the reader should support your organization. Many people consider their team to be a minor concern, yet it is crucial since the company you construct receives most of its energy from the creator and those who work for the organization. It's a good idea to start by describing your own abilities and attributes, as well as those of your team. Investors are often just as interested in who you are, what you bring to the table, and whether you can operate a business as they are in the business idea and market potential.

- Who are the members of the management team? Is the staff experienced and well-connected enough to complete the task at hand?
- What is the secret ingredient in your recipe? Selling points that are unique
- You'll have to deal with entry restrictions and competitive advantages. And you'll have to explain why the incumbents in the market aren't better equipped to do it than you are.

External Environment

Understanding the context and environment in which your Social Enterprise will operate can help you develop a more competitive business model and, as a result, a better plan. The business environment refers to the conditions under which the company operates. Internal and external factors can be separated into two categories. There are a variety of stakeholders in these contexts. Employees, supervisors, management style, corporate culture, and company regulations are all part of the internal environment, or microenvironment, over which the firm has some control. Economic conditions, government policy, competition, and technology are all examples of external elements over which the business has little control. The operating environment and the macro environment are two subsets of the operating environment. The components that make up the business environment are always changing and exert pressure on a company's operations. When planning, a business owner must take these aspects into account. Let's look at each of the stakeholders in the internal and external environments in more detail.

1. **Macroeconomic Forces and Key trends**

All firms are affected by changes in the macro environment. The broad forces, conditions, and trends in the economy and society in which the firm operates make up this environment. These variables are outside the control of the company. Managers must adjust the business's planning due to changes in the macro environment. For example, new government rules may force a company to plan for the installation of pollution-control devices. Alternatively, firms may intend to change old work practices to allow more family-friendly rules and fewer discriminatory policies in response to shifting social attitudes. The macro environment is made up of the following primary factors:

- economic conditions – the set of factors that affect economic activity, such as interest rates, wages, unemployment, currency exchange rates, and inflation
- political and legal effects – laws and regulations enacted by legislatures and courts that have an impact on how businesses operate and behave.
- social attitudes – the elements that influence local, national, and international changes in community attitudes, behavior, tastes, and lifestyles.
- technological challenges — problems that arise as a result of the increased usage of tools, techniques, or systems - global challenges — the pressures that occur as a result of enterprises competing on a global scale and functioning in international marketplaces.

The following table might help you see the structure and significance of the External Analysis' section on "Macroeconomic Factors and Key Trends":

Table 1 Source : 'Business Planning Guide to developing a Social Enterprise'

Macroeconomic forces and Key trends			
Political	Economic	Social	Technological
These can be political factors or policy decisions that affect the operating environment	These are issues affect the purchasing power of customers and other businesses	These are factors that affect customer needs and potential markets	These are innovative developments or trends that might affect markets
Examples: Tax Employment Environmental regulations Trade restrictions/tariffs	Examples: Economic growth Interest rates Exchange rates Inflation Unemployment	Examples: Demographic and cultural changes Population growth rate Social attitudes	Examples: Research & development Automation Technology Innovation

Political stability Europe	Supply/demand	Employment environment	
-------------------------------	---------------	---------------------------	--

The following are the key questions that must be answered in the business strategy (business model):

- Is the economy expanding or downsizing? What about the number of unemployed? What is the mindset of the market as a whole? What is the state of financial markets and/or donor views, and how will those general trends effect funding? Is credit easy to come by? How difficult will it be to raise funds?
- What is the current situation of the resources and input markets that you will need for your production, as well as major trends and forecasts? How easy will it be to attract talent in the labor market?
- How would you describe the economic infrastructure in the operating environment? Taxes, transportation, trade, and access to suppliers and customers are all issues that need to be addressed.
- What are the most important technology trends within and beyond your social enterprise's market? Which technologies offer advantages and disadvantages?
- What regulatory changes have had, or may have in the future, an impact on your business model or the demand for your product or service from your customers?
- What are the major societal developments in attitudes, beliefs, or culture that may have an impact on buyer behavior or your business model?
- What are the most important socioeconomic developments that affect your business model? What are the latest trends in expenditure and disposable income? What is the distribution of wealth? Are there any trends that might affect individual giving patterns if you rely on individual giving as a source of funding?

2. **Market analysis**

The following should be included in the market analysis section of the business plan:

A. **Market issues**

- B. **Customer segments:** Customer segments are groupings of people that a company wants to recruit and who have some commonalities (age, needs, tastes etc). You should strive to read the behaviour of your potential clients as much as possible. This may appear complicated; however, the following are the major factors to consider:
- a. Demographics – fundamental information about your potential consumers' attributes (e.g., age, gender, location, occupation, income bracket, and so on).
 - b. Psychographics – information about their beliefs and lifestyles that will influence their purchasing behaviour.

- C. **Needs and demands :** This section examines market requirements and how well they are now met. You should look for areas of the market where demand is rising, indicating that there is a market for it and that there are unmet wants. Discuss the customer's needs, what they truly want to accomplish, and what they're missing. It is critical to address all consumer categories for social enterprises, which may have multiple. You can discuss needs with beneficiaries in specific. If we look at LifeStraw, where the beneficiaries/customers are those who require a quick and easy means to get cleaned water, there are a variety of consumer demands that are being met.

Discuss each one separately, as well as what is occurring with demand. Is it getting better or becoming worse?

3. Industry Forces and Competitor Analysis

The operating environment of a firm, or what we'll call industry forces, is made up of external stakeholders who have a direct impact on how the business operates. These are aspects over which the company has less influence than internal environment issues. The following are the four primary stakeholders:

- **Competitors** — other companies or persons that make and sell items or services that are similar to the ones offered by the company. Someone who sells the same product or service as you is a direct competitor. All of the various methods in which customers can spend their money are referred to as indirect competition. Identify your competition and learn as much as you can about their business practices.
- **Who are they** There are various types of competitors for a social enterprise? You're up against charities and non-profit groups. In the market you're in, you're up against for-profit businesses that sell services. Furthermore, you may be competing with other ethical entrepreneurs in the same market space as you.
- **How are you different?** You should discuss your competitive advantages here. You'll have to explain how you're distinct from your competitors, how you have various technologies and cost structures, and how you're able to compete in this market.

B. **Suppliers** — the companies or individuals who provide the materials and other resources that the company requires to run its activities

Special interest groups — the individuals who have a direct impact on the business model in the case of SEs, there are a wide spectrum of parties participating in their growth, including the public sector, which can mean that the development process is influenced by political and bureaucratic factors. When considering how to write this part, consider undertaking stakeholder analysis, which essentially involves identifying all of the people and organizations who have a relationship with or influence over your company. Consider the following questions in respect to each of your stakeholders once you've established who they are:

- What role do they play in the organization?
- Do they have an interest in you starting a social enterprise?
- What impact will change have on them?
- Will they have an impact on your plans?

Substitute product and services - Potential alternatives for your product or service, including those from various markets and industries, should be the emphasis of this section. It's a good idea to do some study and identify explicitly which products and services could take your position. Can buyers easily move to alternatives? What are the different sorts of business models that these substitutes are based on?

4. Competitive advantages in the Business model

It's all about the 'secret ingredient' here. What makes your business unique, marketable, and likely to succeed? Funders and investors can be persuaded of your venture's creative character if you can clearly demonstrate your unique comparative advantages. Spend some time focusing on the external analysis you've done thus far and identifying major points of differentiation from the table above.

The Business Model

1. Motivation, mission and vision

Discuss your social enterprise's motivation, objective, and vision at the start of this section. This section is particularly important in the case of social enterprises (as opposed to typical firms), as it sets the setting for presenting the business model, which will incorporate a social component. In terms of motivation, there are no right or wrong answers, but many successful social enterprises are developed out of entrepreneurs' desire to make a positive difference in the communities they live in. It's critical that you understand your societal mission and how you arrived at it, as this will be what sets you apart from the competition. When explaining how you got at this conclusion, you will need to discuss things like the societal need you discovered.

A mission statement, or simply "what we do," might be a good place to start in this section. This elucidates the purpose for the organization's existence.

A mission statement might read, for example, 'to create employment for adolescents with problem behavior,' and you see social business as a way to accomplish this goal.

On the other hand, **a vision** is the 'why we do it,' or the future that the origination aspires to build. The project's or organization's long-term goal is articulated in the vision statement.

'To reintegrate youth with problem behavior into mainstream society,' for example.

A word of warning: Consider your vision and mission statements to be ongoing works in progress, with the understanding that they will evolve over time. Be adaptable and don't devote too much time to them.

Values- Values are frequently used by social entrepreneurs as guiding principles for how a project or organization will run. Values are frequently ethical or moral in nature, and those who join the initiative or organization are expected to support and uphold them.

For example, such values could include:

- Following ethical trading standards and practices
- Minimizing environmental effect
- Non-discrimination in all engagement and operational areas

2. How the business model works

You should give an outline of the company model's operation. It's critical to discuss the following:

- What activities and actions will you take to achieve your stated social goals in the preceding sections? (Social model, it can be extracted from theory of change)
- And how you'll make money to support your social goals (the business model)
Be specific about the type of social entrepreneurship model you'll be using.

3. Value Proposition

Although you should have a decent understanding of your Social Enterprise's Value Proposition by now, a quick refresher of the important components will be helpful.

The value proposition outlines what problem you are tackling and how you are solving it for your beneficiaries. It's a succinct summary of the value your company offers. Explain why

your product or service offering(s) will be preferred by the target recipient over other options. Is the value you're delivering - enhancing healthcare access or offering education to underprivileged communities - something your recipients value as much as you do? Because social enterprises include a social as well as a commercial component, you may need to discuss both the social and commercial value you will be providing at times. If your customers and beneficiaries aren't the same, make sure it says how you produce value for them both. You may find that several definitions of your offer (i.e., distinct value propositions) are required for different stakeholders; these will likely have many elements in common but will also address the specific concerns that are relevant to each.

Examples of value delivered to customers/beneficiaries

Newness
Performance
Customisation
Getting the Job done
Design
Brand/Status
Price
Cost reduction
Accessibility
Convenience
Partnerships
Connectivity
Expert Knowledge
Insight

4. Target Markets/customer segments

What consumer segments does a corporation want to reach and serve? What is the size of the market that the social enterprise wishes to serve? To put it another way, how many people is your social enterprise hoping to assist? What distribution methods will they use to reach them?

Finding a consumer segment in a traditional for-profit business model is usually straightforward—find someone who wants to buy your product or service (slight oversimplification). Customers segments in a social enterprise, on the other hand, have additional aspects. When it comes to social businesses, the question to ask in order to identify consumer categories is: Who has to be moved in order for the model to work?

Toms Shoes of Santa Monica, California, for example, is a well-known example of this type of business. After a trip to Argentina in 2006, where he experienced the challenges of barefoot children, Blake Mycoskie founded the company. He founded a shoe firm in which one pair of shoes is given to a needy child for free for every pair purchased. The customer segments in the Toms Business Model are:

Shoppers who are socially concerned • Communities in need of footwear • Volunteers

Direct or indirect distribution channels, i.e., methods via which you reach your consumer segment, might be owned, or partnered.

Direct Channels	Indirect Channels
Sales force Web sale/social media	Own Shop Retail Partners Wholesaler

Own Channels	Partner Channels
Sales force Web sale/social media Own Shop	Retail Partners Wholesaler

Channels are divided into five phases, each of which can be covered by one or more channels:

- *Product/Service/Benefit Awareness*-How do you raise product/service/benefit awareness?
- *Customer evaluation*- how will you assist customers in determining your value proposition?
- *Purchase*- how do you make it possible for customers to purchase your product/service/benefit?
- *Delivery*—how will the value proposition be delivered?
- *After the sale*: How do you handle customer service after the sale?

Example: Tom's distribution channels, to return to the prior example, are as follows:

- Word-of-mouth • social media • Partnerships in advertising
- Volunteers to provide shoes • Partner shoe retailers

5. Key resources and activities

A summary of the inputs you'll need to deliver your value proposition is referred to as **key resources**. If you manufacture a product, you may have to invest in expensive machinery and manufacturing facilities. If you work in the service industry, one of your most valuable assets may be technology or intellectual property. The majority of business concepts are built on a combination of tangible and intangible assets. Consider them from a physical, human, intellectual, and financial standpoint.

Key resources include:

- the materials you'll need
- the equipment you'll require
- the types of individuals you'll need to hire

At this point, it's critical to assess each of the major resources listed on the canvas and determine whether or not the resource is critical to the company's success. Talented people resources, for example, are a necessary for most firms, but one must consider whether they are the very building brick that determines the company's success or failure. The number and type of key activities your firm engages in are directly related to critical resources. What is your primary responsibility in order to manage this company successfully? Do you have a technology solution in the works? Are you selling fair-trade items or providing employment training to ex-convicts? These are the **Key activities**.

Financial Analysis

1. Overview

This feature has always gotten a lot of attention. An excellent place to start would be to clear up a common misunderstanding concerning the financial analysis part of a business plan. Accounting and financial analysis are not the same thing. Although predictions include a profit and loss account, balance sheet, and cash flow, you will be estimating what you believe the start-up can achieve over the next several years rather than looking back on what the company has accomplished. The financial portion of a company strategy serves the following purposes:

- To secure finance (impact investors, banks, family, donor grants etc.)
- To demonstrate the viability of your social enterprise to stakeholders.
- But the most important reason to create a financial forecast is for your own advantage, so you can see how your business is expected to do.

Using your Business Model Canvas building components, you may perform pro forma calculations (if such is used). This section of the strategy isn't only about statistics; in order to create clarity, numbers and descriptions are required. It must, above all, address where income and costs will be from.

The following are some important considerations:

- The first 12-24 months are the most important and should be documented in great detail.
- What are your long-term plans? Is there a way to make money?
- After this initial phase, there will be a lot of uncertainty, so it's necessary to plan for all eventualities. This will serve as a guide to where you're attempting to go.
- Financial statements should focus on single-unit economics and detail both variable and fixed expenses, never totals.
- How will you grow your business? Is it possible to scale up?
- What is your plan for getting out of this situation?
- Keep in mind the twin/dual objectives: you must balance the creation of social and economic value; thus, your business must be financially viable.

2. Sales Scenarios and projections

Create a spreadsheet that forecasts your sales for the next three years. For the first year, set up distinct sections for different lines of sales and columns for each month, then monthly or quarterly for the second and third years.

- Estimated non-commercial revenue
- Estimated profit
- Expected turnover
- How long will it take for long-term viability to be achieved?
- What strategies will you use to accomplish your revenue, non-commercial income, and long-term viability goals?
- Scenario planning:

The financial analysis must include both best- and worst-case scenarios. Essentially, the best-case scenario is referred to as "The dream." It explains what will be done if there is a high demand for the product or service that your SE has released. What are your goals for scaling up, and how will you achieve them?

Simultaneously, you'll need a scenario that goes the other way. If there is a lack of demand for this product or if the price is too high. Alternatively, if the costs are more than anticipated. When you're doing the worst-case scenario, you also need to draw a line in the sand for yourself, where if you actually implement this business and follow this business plan, and you're doing worse than your worst-case scenario projections, you need to have the self-discipline to stop, or at the very least envision a major change in what you're doing.

3. Operating Costs

You'll need to know how much it'll cost you to make the sales you've predicted. Make a list of your expenses and explain how they will vary as business grow.

The running costs of a company are divided into two categories: fixed and variable costs.

4. Income

Because of the mix of economic and social goals connected with the social enterprise sector, the funding mix for organizations is frequently quite different from that of the private sector. Sales revenue, commercial contracts, service level agreements, and grant funding are all common sources of revenue for social enterprises. Grant aid, patient capital, and loan financing are all examples of investment finance for social enterprises. You'll have to figure out which funding mix is best for your organization.

Non-Commercial income	Commercial Income
Grants grant funding from either public-sector funders, charitable trusts or other funding bodies such foundations or funds	Sales selling goods or services to individual customers
Service Level Agreements (Public procurement)	Contracts legally binding contractual arrangements to supply goods and

<p>outcome related grants where the public sector provides a 'fee' for a specified service</p> <p>Donations</p> <p>charitable giving by individuals or businesses (can be cash or 'in-kind')</p>	<p>services to other organisations, businesses, or public agencies</p> <p>Sponsorship</p> <p>receiving payment in return for advertising or publicity</p>
---	--

Estimated income. It's important to remember that a social enterprise's revenue streams may be non-commercial in nature, so you'll need to factor that into your income estimates. Revenue streams show how much money you make. In an ideal world, you'd be selling your product to make money. If that isn't a possibility, can you sell one version to wealthy consumers to help subsidize sales to less wealthy customers? You might make money by selling your product or service directly, charging a subscription fee, or renting, lending, or leasing it. You might find it helpful to consider the balance of incomes you'll require to keep your organization afloat. Some social companies, such as co-ops, employee-owned corporations, and social businesses, aim to make all of their money from commercial activity. Others, such as social enterprises and development trusts, may simply seek commercial income for 50-75 percent of their revenue, as this may be more feasible given the social impact they aim.

As your social enterprise becomes more sustainable, you should attempt to expand your income from commercial activity over time. This will give you more stability and allow you to stop relying on grant money. However, you may never attain 100% commercial income, and finding the correct balance of commercial and non-commercial income will be critical to your success.

5. **Cash flow projections**

Many businesses, including social enterprises, fail in their first few years of operation, not because the idea is bad, but because the organization's cash-flow situation is poorly managed, and it eventually runs out of money. It is very advised that you begin actively managing your financial situation right away. This entails not only determining how you want your finances to grow in the future, but also keeping track of how and when money enters and exits the company throughout time. The more closely you watch your cash, the more likely you are to be able to predict and manage for future cash-flow difficulties. This is based on your sales estimates, balance sheet items, and other assumptions, among other things. If you're beginning a new firm, you should start by forecasting a 12-month cash-flow statement. When putting together your cash-flow estimate, keep in mind that you must determine a realistic ratio for how many of your invoices will be paid in cash, such as 30 days, 60 days, 90 days, and so on. You don't want to be startled if you only collect 80% of your invoices in the first 30 days when you expect 100% to cover your expenses, she advises. These algorithms are built into several company planning software systems to assist you in making these estimates.

6. **Breakeven Analysis**

A break-even analysis is a calculation that determines how much income, revenue, or sales volume a project, program, or activity must generate to break even. A break-even point determines whether or not a self-generated revenue program is viable. According to the analysis we know how many units must be sold to break even and how many units must be sold to make a profit?

Breakeven Point formula= Fixed Cost/ (Unit Price-Variable Unit Cost)

Breakeven analysis can assist you in determining the viability of your business concept. After you've determined the breakeven threshold, you'll need to decide whether you can make the sales necessary for your business to succeed. You'll also need to figure out when you're likely to break even in the future and whether you're ready to take the risk. If the numbers don't add up and sales aren't going to cover costs, you'll need to reconsider your social enterprise's feasibility and see if reasonable tweaks can be made to make the numbers work. If no such changes can be made, you will have to abandon the project entirely.

7. Surplus

Your surplus or deficit for the period, often known as your profit or loss, is the difference between your total income and total spending (depending on your legal form).

Surpluses from social enterprises can be distributed in a variety of ways. They can pay their owners, just like traditional businesses. They can also put those funds back into the business. They can donate surpluses to other non-profit organizations. Maximizing social benefit rather than profit may be the driving force for social enterprise. In other circumstances, braking is adequate if the company is reaching its goals. Make sure that whatever you plan to do with your surplus/profit is stated clearly here. There are no right or wrong answers, however in some countries, reinvesting your surpluses for a period of time may be required in order to be categorized as a social enterprise, which should result in a more favorable tax arrangement. Other European countries have yet to create a specific category for social companies; in those circumstances, greater flexibility will be available, but tax rates will remain at the same level as for normal businesses. The table below depicts the distinctions between traditional enterprises (purely commercial) and non-governmental organizations (NGOs), with Social Enterprises in the center. The last row denotes the profit destination (surpluses). Keep in mind that reality is far more complex.

	NGO/Charity	Social Enterprise	Purely commercial
Motives	Appeal to goodwill	Mixed motives	Appeal to self-interest
Methods	Mission-driven	Balance of mission and market	Market-driven
Goals	Social value creation	Social and economic value creation	Economic value creation
Destination of Income/Profit	Directed toward mission activities of non-profit organization (required by law or organizational policy)	Reinvested in mission activities or operational expenses, and/or retained for business growth and development (for-profits may redistribute a portion)	Distributed to shareholders and owners

8. Implementation Roadmap

This part must demonstrate to the reader how your business model will be implemented. Include a timeline with a list of all projects and milestones. Create a project roadmap with Gantt charts to outline the implementation schedule. Your canvas can be used to extract projects.

We recommend dividing this component into two parts: one that tracks your economic goals in terms of sales, profitability, and so on, and another that tracks your social value creation.

Social Impact is a critical metric for assessing social enterprise performance.

- What metrics will you use to assess your social impact?
- What tools can you use to help you with this?
- What kind of proof of impact are funders and financiers looking for?
- What will the cost of impact measurement be?

The 'theory of change' methodology can be used to track social impact. It is good preparing one at this point if you haven't previously. Setting quantitative indicators and related outputs against which performance in terms of social impact can be monitored and evaluated is the most significant aspect of a theory of change.

Example: A measurable indication for Toms Shoes would be the number of shoes provided and delivered for free to children who do not attend school owing to a lack of shoes, with the related output being "100,000 free shoes distributed to students." You can include a time component to producing this output, which can be used to track your progress as well as demonstrate users of your plan how you intend to apply your solution to the identified social need.

9. Risk Analysis

Because most social businesses are managed by a voluntary board of trustees, they may be more risk cautious when it comes to pursuing business projects. When calculating anticipated risks and possibilities, remain flexible. You may find yourself having to 'go back to the drawing board,' choosing new tactics that may be less effective but include fewer hazards.

A SWOT analysis, which is commonly done at the stage of business model design and development, is a useful tool for analyzing limiting constraints and obstacles as well as crucial success elements.

Example of risk mitigation table, this would be a helpful and concise:

Risk	Mitigation strategy

Dos and DON'Ts

What not to do?

- The logic is too complicated to comprehend. Make sure your theory of change is explicit, i.e., how your business will affect the societal problem. The second problem, particularly with social enterprises, is that the business part of it is not obvious. You might have a very clear social problem. But what is your business model in addressing it?
- Finally, too much information is a common problem among business plan users. Don't give in to the temptation to include all you've learned in your company strategy. If necessary, you can add a couple of annexes. However, try to keep your business plan as short as feasible. Make no assumptions about what people will know, or won't know about your project
- Don't start creating your business plan too soon; you need to have a solid business strategy in place before you start. Avoid long sentences.
- Avoid overuse of technical terms and jargon. If you must use a technical phrase, be sure you define it.
- If you must use acronyms (initials), clarify the initials and their meaning.

What to do?

- Add a table of contents and page numbers to your document.
- Instead of extended paragraphs, use bullet points and numbered lists to emphasize key topics.
- Include diagrams, graphs, and images if possible.
- Have someone who knows a little about your company and market analyze your strategy critically and make the necessary revisions.
- Consider it a work in progress. Take note of the comments and feedback you receive from others with whom you interact and adjust your message accordingly.

References

ⁱ *How to Write an Executive Summary in 2021*. (2021, August 30). Growththink.
<https://www.growththink.com/businessplan/help-center/business-plan-executive-summary-tips-killer-executive-summary>

Additional (IED's) Resources

Financial Fundamentals, Business Plan *Project SPARKS (2016-2018)*

Business Finance and Economics, Fundraising, Business Finance and Economics, Business Plan, Business Management *Project SOVET (2016-2018)* <https://sovet-project.eu/en/>
Business Finance, Fundraising, Business Management *Project YOU-ME (2017-2019)* <https://youme-project.eu/>
Finance and Budget for DSE *Project UP TO YOUTH (2018-2020)* <https://uptoyouth.eu/>
Ethical and Solidarity Finance and Resources *Project SSEE (2016-2018)*
Fundraising, Business Plan, Business Management *Project OPEN MIND (2016-2018)* <http://open-mind-project.eu/>
Sustainability & Fundraising *Project YOUTH RE-WORKING RURAL (2017-2019)*
Business Plan *Project, Case Study: Healthy Parcel TRANSFORMA (2016-2018)* <http://transforma-project.eu/>
Business Writing and Presentation *Project WORTH (2017-2019)*
Sustainability & Fundraising *Project YOUTH RE-WORKING RURAL (2017-2019)*