



YOPEVA Entrepreneur

Course 4 – Elaborating a business plan



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YOPEVA ENTREPRENEUR: Course#4: Elaborating a business plan

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Course#4 General objective

The general objective of this course is to advance the business idea into a formal Business Plan. Similar to Course 3, this would allow participants to deepen their conceptualization and analysis of their idea, and account for the different components in the Business Plan including the description in detail of the business idea and the products/services to be delivered, an in-depth analysis of the target population (customers), the market and the competitors to be confronted in that market, the definition of the marketing strategy and the business operations in place, as well as the financial viability of the endeavor. Course 4 also sets the basis for effective communication of the business plan (pitching) to gain access to investors and support for the business idea.

It is important to keep up with the one-to-one project reviews that were started in Course 2. One-to-one project reviews will play a key role in helping participants put all the business Plan pieces together in a sound and coherent manner. These sessions will also serve the purpose of training your communication skills in pitching your ideas to an interested audience.

Find below an accurate explanation of one-to-one project reviews extracted from the Learning Methodologies document. One-to-one project reviews have been included to emulate a mentoring approach that addresses individualized participants' needs. This way, students will be supported right from the start with the idea definition and adaptation.

“One-to-one project reviews:

Mentoring is a key element of most successful entrepreneurship programs, and this is so because such support can be adjusted to each individual situation, project and intention. For this reason, we should seriously consider one-to-one project reviews with a mentoring approach to provide guidance and tailored feedback to students.

More specifically, ***the aims of one-to-one project reviews*** are to:

1. *Help students perceive the utility and use of the program for their personal goals.*
2. *Support youngsters in applying the contents learnt during group sessions to their own entrepreneurial projects.*
3. *Clarify doubts.*
4. *Pay a high degree of attention to every single participant: 1- Monitor their knowledge and competencies being learnt in the course. 2- Consider their background, intention, motivations, etc.*
5. *Encourage and empower participants, increasing their value feeling.*

Following the YEP-Young Enterprise Program (Bonavitacola et al., 2018), **individual reviews are crucial to complement group sessions** and ensure their effectiveness in the overall training. On one hand, they support youngsters in applying the contents learnt during group sessions to their own entrepreneurial projects; on the other hand, they help young people clarify any doubts and/or issues. In fact, students might not be particularly used to participatory training settings, and they might be reluctant to express themselves in front of their peers and trainers. They should be encouraged by the trainer and the activities he/she may propose.

Moreover, individual sessions are aimed at **reviewing and assessing the project design and development, as well as at building skills and self-confidence in participants**. For this, Bonavitacola et al. (2018) recommend such individual sessions should:

- Last approximately 30 minutes. In the case of very advanced and well-structured projects, a shorter time might be appropriate. However, it is advisable to carefully evaluate the participant's needs in order to offer adequate support.
- Be mandatory. This provides stronger motivation for participants to engage in the training and work on their projects. It also enables the trainer to hold onto each participant's progress.
- Rotate participants in taking part in project reviews. Each of them should engage in at least 3 individual project reviews throughout the whole training.
- Be scheduled each week for the next one, to allow participants to properly prepare and make the most out of the meeting.
- Naturally, trainers should communicate by phone and email with the participants between group and/or individual sessions, so as to keep them engaged and motivated throughout the course."

The logic behind this methodology is to allow participants to practice concepts and skills in groups so as to later apply them to their personal projects.

Course#4 Learning objectives

1. To understand why and when a Business Plan is necessary and helpful.
2. To learn how to write a Business Plan, its main components and how they are related.
3. To learn how to present yourself and your business ideas to possible investors (pitch).

Course#4 Duration (weeks)

The approximate duration of Course 4 is four to eight weeks. We suggest two sessions per week, one dedicated to Unit teaching and the other one to a one-to-one project review session. The recommended duration is a minimum of 2 hours and a maximum of 4-5h for Unit teaching sessions; and 25-30 min for project reviews session. If one learning unit (see Contents display below) is considered too relevant or long to be assimilated in one session, it could be displayed in more than one session. However, it is important to consider that Units should be followed by one-to-one project reviews to support participants' application of the contents to their personal projects (see the table below).

We want to stress the message that the literature reviewed advocates for a minimum of two sessions per week. If participants' training time commitment is less than ideal, we recommend adding extra assignments to be submitted online or increasing one-to-one project reviews.

Find below a guide to the course’s contents distribution throughout the planned 8 weeks. This is just a proposal that needs to be adapted to your local context and the needs of participants.

Week	Session 1/2	Session 2/2
Week 1	Unit 1: Introduction.	One-to-one mentoring session
Week 2	Unit 2.1: Business, products, market and competition.	One-to-one mentoring session
Week 3	Unit 2.2: Marketing plan.	One-to-one mentoring session
Week 4	Unit 2.3: Business operations.	One-to-one mentoring session
Week 5	Unit 2.4: Financial plan and forecast.	One-to-one mentoring session
Week 6	Unit 2.5: Executive summary and SWOT analysis.	One-to-one mentoring session
Week 7	Unit 3: Communicating your business plan.	One-to-one mentoring session: Pitching preparation
Week 8	Unit 3: Pitching session	

Course#4 Contents proposal

Course 4 contents are displayed throughout 7 learning Units and Subunits as follows:

- Unit 1: Introduction.
- Unit 2: Writing a Business Plan.
 - Unit 2.1: Business, products, market and competition.
 - Unit 2.2: Marketing plan.
 - Unit 2.3: Business operations.
 - Unit 2.4: Financial plan and forecast.
 - Unit 2.5: Executive summary and SWOT analysis.
- Unit 3: Communicating your business plan.

Please, note that it is highly recommended that the contents displayed in terms of new information and knowledge for students must be combined throughout the course with **key related soft skills training**. In this Course 4 we have identified the following soft skills that could be easily integrated and developed throughout the course contents and activities. Some of these soft skills have already been covered to some extent in previous courses, and we increase their value and contribution in this course too: **conceptual & analytical thinking, strategic orientation & planning, customer orientation, communication, self-confidence, positive mindset & resilience and active listening**. We briefly explain below how are they related to the course contents and activities.

Conceptual & analytical thinking: The course contributes to students’ ability to understand situations and analyze problems in greater detail, accessing and processing context information and data on them (for example market trends and developments in a particular area of interest). It also allows for the refinement of original ideas and concepts. Students gain experience on that through learning and applying the contents of the course to their business projects. Indeed, the Business Plan brings together all the key pieces in a business idea and requires both clear conceptualization and analytical thinking in its elaboration.

Strategic orientation and planning: The course displays a number of key elements that started in Course 3 (BM canvas) and projects them into a more thorough piece of work, namely the Business Plan, during Course 4. That requires planning ahead and forecasting, together with a sound analysis of your business (strengths and weaknesses, threats and

opportunities) by means of a SWOT technique.

Customer orientation: The course offers the opportunity to continue exploring in greater detail customer needs, opinions and expectations. Important parts of the Business Plan focus on the customer and how the market is going to evolve.

Communication: This is a key soft skill that will be tested during pitching. Building on some communication soft skills developed in previous courses, in Course 4 students will learn how to self-manage under the pressure of delivering their pitch to an adequate audience, in time, and with clear take-home messages.

Self-confidence: This course provides a unique setting to test and build up self-confidence as a soft skill. Some ways in which this could be achieved include showing one is able to put together a coherent and structured business plan, or being capable of communicating and pitching one's plan to different audiences in an effective manner.

Positive mindset & Resilience: There will be many times in which you may pitch and get no positive results out of that. Perseverance is key. Keep a positive mindset and learn from each of these opportunities. Do not take them negatively if they are not successful, that is commonplace for entrepreneurs. Keep the spirit high and take each chance as a knowledge-gathering experience, as a valuable return on your time and effort.

Active listening: This is key in many parts of the process of writing a Business Plan, but it becomes paramount when it comes to pitching. Listening carefully and positively to the audience's reactions to your pitch presentation, and getting their expert advice and questions will make you a better communicator of your business idea. Use some time to review your pitch after your performance and how your audience has reacted to it. Identify areas of improvement and actions to be taken in accordance. Think of Active listening as an attitude not only as something you perform.

Unit 1: Introduction

Please, note that a guest lecturer could easily teach the contents covered by this Unit. It is important if that is the option taken that guest lecturer sticks to the session contents and structure (see PROPOSED ACTIVITY – UNIT 1 BUSINESS PLAN RELEVANCE).

Objective Unit 1.

The main objective of Unit 1 is to present the Business Plan that will be completed throughout the course and help participants understand and reflect on the relevance of developing such a Business Plan. The Unit should start with a brief introduction to the entire course.

Contents Unit 1.

This Unit 1 covers the following 7 elements:

1. Introduction to Course 4 and the aims of the personal project
2. What is a Business Plan?
3. Why do you need a business plan?
4. How to use your Business Model Canvas (BMC) to write your Business Plan?
5. Five Tips for a Good Business Plan
6. Personal project assignment
7. Support materials and references

1. Introduction to Course 4 and the aims of the personal project.

When starting Course 4, the trainer should emphasize the overall objective of the course, as well as the contents/units that will lead the way for achieving such a goal.

The **overall objective** is: To advance the business model (BMC) into a formal Business Plan.

This would allow participants to deepen their analysis of their business model and set the plans and the strategies to carry it out. Course 4 also sets the basis for effective communication of the Business Plan (pitching) to gain access to investors and support for the business idea.

Explain to participants the contents of Course 4:

- Unit 1: Introduction.
- Unit 2: Writing a Business Plan.
 - Unit 2.1: Business, products, market and competition.
 - Unit 2.2: Marketing plan.
 - Unit 2.3: Business operations.
 - Unit 2.4: Financial plan and forecast.
 - Unit 2.5: Executive summary and SWOT analysis.
- Unit 3: Communicating your business plan.

TO EMPHASIZE: Despite this being formally a training course, we believe students need to consider (or be ready) starting their own business. It is for this reason that we have incorporated the mentoring sessions, namely to provide tailored support to each participant, helping him or her with his or her business/start-up project.

The contents and dynamics of Course 4 require that we incorporate regular one-to-one mentoring sessions from day one so as to assist participants in developing their personal projects. These “one-to-one project reviews” need to be presented to participants as personalized support they will receive in planning the steps of their business and in applying the contents of the course to their personal ideas and business projects. This means they will be receiving advice from the beginning of the course, as well as tailored assistance to their specific needs and obstacles throughout the course duration. **For example, in the project sessions, the progress in the business plan will be facilitated and monitored, helping participants take the necessary actions to develop their business plan (market research, contact suppliers, make calculations, etc.).**

2. What is a Business Plan?

A Business Plan is a document that states a business’ objective and describes how these objectives will be achieved. Find a more detailed description below:

A Business Plan (BP) is a written document that outlines the goals, strategies, and operational details of a business. It identifies and analyzes the viability of a business opportunity and outlines all the conditions and hypotheses required to transform the initial idea into a reality. A BP is not a static or singular document. The BP remains open-ended because as time progresses, circumstances change, and adjustments must be made.

Further, a BP serves as a roadmap for entrepreneurs, startups, and existing companies to guide their decision-making, secure funding, and communicate their vision to stakeholders.

Typically, a comprehensive BP includes some key components that are listed below. It is a good idea to describe them in advance for participants to get an overall idea before they get involved in each of its components.

<=> Market Analysis (Transversal): Conduct a thorough analysis of the market you will operate in. Examine the market size, current trends, competitors, entry barriers, and growth opportunities. Identify your target audience and describe how you plan to reach them.

0. Executive Summary: Start your plan with a concise yet compelling executive summary. It should grab the reader's attention and highlight the most important aspects of your business, such as the core idea, key objectives, and financial projections. Write the summary once the BP is completed.

1. Business Description: Explain in detail the concept of your business. Include information about the product or service you will offer, the target market you are aiming for, the market/user needs your business tries to meet, and how you will differentiate yourself from the competition.

2. Marketing Strategy: Outline your marketing and sales strategy. Explain how you plan to promote and market your product or service. Consider online and offline marketing tactics, social media, advertising, public relations, and strategic partnerships.

3. **Organization and Management:** Describe the organizational structure of your business. Include information about the roles and responsibilities of key team members, as well as their backgrounds and skills. If you have partners or advisors, mention them here as well.
4. **Operations Plan:** Detail how you will carry out the day-to-day operations of your business. Describe production processes, supply chain management, key suppliers, infrastructure requirements, and any relevant aspects for delivering your product or service.
5. **Financial Plan:** This section is crucial. Include financial projections such as income statements, balance sheets, and cash flows. You should also mention how you plan to finance your business, whether through investors, loans, or personal funds.
6. **Risk Analysis (included in the SWOT analysis):** Identify potential risks and challenges that could affect your business. These may include economic, legal, technological, competitive, or other factors. Provide strategies to mitigate these risks and how you plan to adapt to changes in the business environment.

Numerous templates can be found online, in public administrations, universities and resource centers. The crucial points here are to ensure that:

- a) Your BP explains in detail what your company/firm plans to do and how.
- b) You followed a rigorous and reflected process in its elaboration.

The resulting documents may take different formats and layouts. It could be a PowerPoint presentation, a slide deck, a five to ten-page document or a more thorough piece of writing. Whatever the format a BP takes, they all originate from the same sources.

3. Why do you need a Business Plan?

First and foremost, it provides you with a central repository for organizing all the necessary information about your company. Moreover, the BP serves various objectives including:

- Establishing the conditions and variables that will drive your business operations.
- Defining the financial requirements for your business.
- Identifying and acquiring the necessary resources: creating a checklist of what we need to secure.
- Seeking funding: It will be the basis for our meetings with investors or discussions with government agencies.
- Attracting potential partners and individuals we want to collaborate with.

A BP will help you formally turn an idea into a business. It allows you to think through all the major parts of your business and plan how everything will work. If you want to do it properly, it will take some weeks to be written. When developing your BP, you will have to roll up your sleeves and be ready to conduct calculations, perform market research, gather documentation, and reach agreements. A well-written BP demonstrates a clear understanding of the market, industry dynamics, and the company's strategic direction. Naturally, at the end of the day, the "size" (efforts and final document) of your BP will largely depend on the "size" of the business idea, its complexity, the market you are aiming at, and so on.

It is important to emphasize that writing a BP it is not just a theoretical work. It involves making purchasing decisions, selecting suppliers, determining procurement frequency, and identifying storage arrangements, for example. It will therefore require you to go out of your company and explore, get the relevant data and draft your plan.

Further, the more partners you involve in your business, the more critical it is for your BP to document the decisions you make and your entire journey. Indeed, the BP is a tool for better decision-making. If multiple people are involved in the decision-making process, having a specific written document greatly aids in fostering clarity.

Following UNSW work, success results from implementation, not from a plan, but a plan is an institutionalized part of the game. More importantly, it makes your idea both much clearer (for everyone, including yourself and your team) and more solid:

- Clarify and elaborate: Identify milestones, metrics and assumptions.
- Writing one highlights overlooked issues, both in the idea and in the team
- Writing one brings the founding team together.

Summary Box - Why write a business plan?	
<p>Writing a business plan helps you think about what you are doing.</p> <ul style="list-style-type: none"> ○ The BP sets out your strategy and action plan for the next one to three years (sometimes more). ○ As part of the process you set specific objectives and plan how you will achieve them. ○ Writing a BP helps you focus and develop your ideas. Priorities are identified. Non-priorities are dropped, saving precious time. ○ Putting the plan in writing makes it easier to spot any gaps where there is still work/refinement to do. ○ Once it has been written, the BP could be used as a benchmark for the performance of the business. 	<p>You may need a plan to explain your business to other people.</p> <ul style="list-style-type: none"> ○ A BP is essential if you are raising finance from a bank or outside investors. ○ A good BP can help you attract new senior management, or business partners such as distributors and agents. ○ You should tailor your BP to any target audience. ○ Ask the intended recipient if there are any specific issues they want the plan to address and gain feedback.
<p>Essential guide to writing a business plan – Start up Donut: https://www.startupdonut.co.uk/business-planning/write-a-business-plan/essential-guide-to-writing-a-business-plan#WABP1</p>	

4. How to use your Business Model Canvas (BMC) to write your Business Plan?

How does the canvas relate to the business plan?

Business Model Canvas (BMC) helps you to figure out the business model and design it accordingly. It works as a guide and helps in quick communication between the owners of the business and stakeholders. It is key that you think the BP is not only for internal use; it is also an excellent communication tool that would allow external stakeholders to analyze your business.

How to use your Business Model Canvas to write your Business Plan?

You can use your Business Model Canvas as a reference while writing the BP. It is commonplace that when writing your BP you continuously refer back to your BMC. Ensure that the information you include in the BP aligns with the corresponding elements in the BMC.

1. When you start writing a section of your BP, we advise you to begin by incorporating the insights gained from your BMC work developed in Course 3. This would ensure that your BP remains aligned with the core components of your business model and helps maintain consistency throughout the document.
2. When using the information from your BMC, evaluate each element in detail. Identify the strengths, weaknesses, and gaps in your business model. Consider how each component contributes to your overall value proposition and profitability. By doing so you can address any areas that require improvement and highlight the unique aspects of your value proposition. Bear in mind that the original thoughts displayed in the BMC may change slightly.
3. Collect additional information and provide supportive evidence, such as reaching agreements and conducting market research, which complements and supports the analysis you performed for each BMC component. This might involve conducting customer surveys, competitor research, or industry analysis. This step ensures that your analysis is based on concrete evidence and strengthens the overall quality of your plan.

Use the insights from your BMC analysis to provide depth, clarity, and specificity to each section of your BP.

5. Five Tips for a Good Business Plan

As stated, a central point is to ensure that the BP explains in the necessary detail your company's purpose and how to put the forward. We here include **5 TIPS** (see Roberts, 2023; and Atom Content Marketing Ltd, 2023) you may find useful. There are some important considerations for a good BP and we would argue are major agreed success factors:

1. **Be Clear and Concise:** Clearly articulate your business concept, goals, and strategies in a concise manner. Avoid unnecessary jargon or overly complex language. A good BP communicates your ideas effectively and can be easily understood by different stakeholders, including potential investors or partners.
2. **Conduct Thorough Market Research and Showcase Proof of Agreements:** Gather comprehensive market research to understand your target market, industry trends, customer needs, and competitive landscape. Analyze market size, growth potential, and customer preferences. Additionally, include proof of agreements with stakeholders, suppliers, providers, or key partners to demonstrate that you have taken concrete steps to establish important relationships and secure necessary resources for your business. This also enhances the feasibility and implementation aspects of your business plan. It shows that you have done your due diligence in establishing partnerships, securing supply chains, or accessing necessary resources to execute your business model effectively.
3. **Define a Strong Value Proposition:** Clearly define and communicate your unique value proposition. What makes your product or service different and compelling? Identify your competitive advantages, such as price, quality, convenience, or

innovation, and highlight them in your plan. Show how your value proposition meets customer needs and provides a competitive edge in the market.

4. **Include Realistic Financial Projections:** Develop realistic financial projections based on thorough analysis and research. This includes revenue forecasts, expense budgets, and cash flow projections. Use appropriate assumptions, benchmarks, and industry standards to ensure the credibility of your financial projections. Investors and stakeholders will assess the feasibility and profitability of your business based on these projections.
5. **Address Risks and Mitigation Strategies:** Identify and address potential risks and challenges that could impact your business. This demonstrates your ability to anticipate and mitigate potential problems. Present contingency plans and strategies for managing risks, such as market volatility, competition, regulatory changes, or supply chain disruptions. Additionally, showcase the agreements you have reached with stakeholders, suppliers, providers, or key partners as evidence of your proactive planning and implementation.

[PROPOSED ACTIVITY – UNIT 1 BUSINESS PLAN RELEVANCE]

This activity aims at allowing participants to learn from a real testimony the importance and usefulness of having a BP, and be able to ask doubts or clarifications. Moreover, this activity will help participants explore and examine what would be the utility and relevance of the BP in their case.

- i. Invite one or two guest lecturers to explain to participants the relevance of their Business Plan in their case (they can also be invited to explain unit contents). Provide guests with a guide to their presentations and make sure they:
 - o Reflect on how the BP has been useful for his/her/their projects.
 - o Identify take-home messages they would like to convey to students.
- ii. After the guest lecture, ask participants to individually reflect on how the BP will serve their personal project. Moreover, ask them to write down their insecurities/anxieties regarding the BP and what obstacles they perceive.
- iii. Ask participants to form teams of 3-4 people. One member of the group shares his/her perceived usefulness and obstacles/insecurities regarding their BP. The rest of the participants react to that and give their impressions, ideas, and opinions.
- iv. Repeat the process with the rest of the members of the group. Remember to encourage participants to ask opinions from peers, and to be open-minded and flexible.
- v. Finally, each group shares with the whole class the main conclusions of their team contributions. The trainer and the guest lecturers provide some feedback.

IMPORTANT: Please, note that the role of the trainer (and the guest lecturer if possible) is to walk around the class checking students' progress, listening to their reasoning and providing instant feedback. Moreover, remember that it is extremely relevant that the participants that compose the groups must vary from session to session. This way, in each session they will work with different team mates, fostering their potential entrepreneur's network and developing social skills (e.g. negotiate, face discrepancies or disagreements, etc.).

6. Personal project assignment

Proposed task before the project review session with the student:

1. The objective of this mentoring session will be that participants:
 - i. Determine the relevance of the BP for their personal project.
 - ii. Manifest any concerns/worries and the trainer reacts to them, explaining how the perceived obstacles could be addressed in the course and the mentoring sessions.
2. Moreover, keep monitoring the process of their personal project (e.g. design thinking process).

Before the session, participants will need to write a short text (not longer than 1 page) on what conclusions or reflections they drew for their personal project from the guest lecture session.

Project review sessions:

1. The task is reviewed and the trainer provides feedback. They talk about the utility and concerns regarding the BP.
2. Next, the participant updates the trainer regarding his/her project and they talk about the next steps in the project.

[ASSESSMENT TASK 1 –BUSINESS PLAN RELEVANCE]:

Submit the 1-page reflection task before Unit 2 session starts.

As each individual project is different, the tasks will be evaluated in terms of utility identified for their personal project. For each task, the following grading system can be used:

0. The task has not been submitted.
1. The task has been submitted, but the text is not related to the participant's personal project (it is a simple summary of the contents).
2. The task has been submitted and the participant has partly related the contents of his/her personal project.
3. The task has been submitted and the participant shows a deep reflection regarding his/her personal project.

7. Support materials and references

University of New South Wales -Sidney (UNSW) Business Plan & Pitching Workshop - Peter Farrell Cup Entrepreneurial Challenge. Australian school of business.

https://www.business.unsw.edu.au/research-site/centreforinnovationandentrepreneurship-site/news-site/Documents/PFC_Business_Plan_and_Pitching_Guide.pdf

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https://documents.princes-trust.org.uk/BusinessPlanPack_FINAL.pdf

Prince's Trust (2015) Help for young people business tools and resources. Enterprise Program.

<https://www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans>

Unit 2: Writing a Business Plan.

Objective Unit 2.

The main objective of Unit 2 is to allow participants to comprehend, define, feature and start writing the contents of each section in their Business Plans.

Contents Unit 2.

Unit 2 is divided into 5 subunits. Indeed, for the sake of clarity and structure, we have used a total of 5 subunits to display the entire BP components.

1. Unit 2.1: Business, products, market and competition.
2. Unit 2.2: Marketing plan.
3. Unit 2.3: Business operations.
4. Unit 2.4: Financial plan and forecast.
5. Unit 2.5: Executive summary and SWOT analysis.

Please, note that the importance of all these items will most probably require countless pages of theoretical approaches and practices. We are aware of that, but the purpose of Course 4 is not to cover all these items exhaustively. That is simply too ambitious and clearly out of line with the aim and scope of these courses. We encourage students and trainers to explore beyond the contents of these course units when required.

READ THIS PIECE OF ADVICE CAREFULLY: In this Unit, all sections of the BP are reviewed and detailed. An explanation of the main contents and steps are provided for each section. Students are encouraged to follow the instructions and steps outlined for each section to ensure a successful completion of their BP. Nevertheless, such instructions should not be taken as a rigid structure but rather as sound guidance for students and trainers. See the box below for an example of what is meant.

Section's name	Place - Marketing plan
Steps	Step 1. Describe the distribution strategy that will be used. Step 2. Justify its election based on the Market environment: customers' characteristics and competitiveness. Step 3. Explain the payment systems/options you have chosen and how they align with your target market's preferences and convenience.
Example of a possible text for Step 1:	<i>"The distribution strategy will be based on an e-commerce website and social media with an online payment system (Credit Card or PayPal). As the target customers are young, they are familiar with social media and online payments."</i>
Comment	Of course the text above could be richer and more exhaustive, but what we want her is to stress that the steps and the sections proposed are just guidelines that the trainer or participants can adapt, modify or assemble as preferred.

1. Unit 2.1: Business, products, market and competition

Objectives Unit 2.1

The objective of Unit 2.1. is to start defining the BP components by completing the following sections: **Business and products, market (customer segments) and Competition.**

Contents Unit 2.1

This Unit 2.1 covers the following elements:

- a. Market environment
- b. Business and products
- c. Customer segments
- d. Competition
- e. Personal project assignment
- f. Support Materials and references

1.a. Market environment

The market environment consists of three key players: customers, suppliers, and competitors, and they all converge in the market. In this Unit, we will place our focus on **customers and competitors**.

Information from customers

Information is key, and listening to customers is a valuable source: this is what allows us to correctly develop our offering and to design our Marketing plan (Unit 2.2.), which is essential for the company to succeed. In previous Courses 2 and 3, we have used design thinking and the lean start-up methodology to attain the customer's perspective in the development and validation of our product. This needs now to be reflected both in Units 2.1. and Unit 2.2.

Refer to Courses 2 and 3 for more information about how to perform market research.

Information from suppliers

Similarly, in Course 3 (Unit 2 Initial idea validation) we revealed several ways to obtain relevant information from suppliers. Suppliers can provide valuable insights since they operate within the market and are also familiar with the competition. They possess valuable information and can also offer guidance based on their extensive experience. Asking suppliers you are not a threat because you are not their competitor; rather, you may be their customer, so they are interested in your success. It is relatively easy to engage them in discussions and gain insights into how things work.

When visiting suppliers, it is important to have specific questions prepared regarding the topics we want to explore such as customers, trends or how they can assist us in entering and selling in the market. These questions should be documented and organized, and multiple suppliers should be approached to gather the necessary information. Suppliers will also provide insights about the competition, for example, what domains or areas are already covered.

Please, refer to Course 2 (Unit 3) for more information on how to address suppliers and distributors.

Considering the above, you may be interested in including or describing the information you obtained from potential customers in your previous market research: design thinking process/lean start-up methodology. For example:

- You could describe the customer’s needs you gathered in “Phase 1 Empathize” (Personal project assignment in Course 2).
- In the same way, you could justify your product adequacy to customers’ needs by explaining how you performed the “Phase 2 Define” (Course 2 Unit 3: Initial idea validation) and “Phase 3 Ideate” (Personal project assignments of Course 3). This way, you could demonstrate that your product is based on real information from market research.
- Moreover, it would be ideal to include information regarding the Market testing done with the minimum viable product or prototype (Course 3 Unit 5: Pilot testing your idea).
- Consider mentioning any other kind of research or idea validation such as information from suppliers/providers and distributors.

Find a summary table below:

Purpose of including the market research information	Phases of the design thinking process/ Steps of the lean-start-up methodology
To show that you are aware of customer needs	<ul style="list-style-type: none"> • Describe “Phase 1 Empathize” (Personal project assignments in Course 2)
To justify that your product/service is based on customer’s needs (from market research) and not only on your personal beliefs or ideas.	<ul style="list-style-type: none"> • Describe “Phase 2 Define” (Course 2 Unit 3: Initial idea validation) • Describe “Phase 3 Ideate” (Personal project assignments in Course 3) • Describe “Phase 4 Prototype”/ “Build step: Minimum Viable Product” (Personal project assignments in Course 3)
To show proof of the adequacy of your product to the market. In other words, to show that you are meeting customer needs.	<ul style="list-style-type: none"> • Describe “Phase 5 Validate”/ “Measure step” (Course 3 Unit 5: Pilot testing your idea)

The following sentence needs to be the pillar around which build up your argument: You have listened to customers; you have talked to suppliers/distributors; and you are meeting customers’ needs. A key aspect for your company is to enter the market effectively.

1.b. Business and products

The Prince’s Trust Enterprise Program (please, see the two documents listed in the “Support material and reference” section) has developed a series of guides for entrepreneurship with an effective pedagogical approach. Based on such work, we hereby display the major components of this “Business and Products” section. The main aim here is to explain the nature of your business offerings.

Please, note that businesses typically sell either products or services, and sometimes both. For instance, a website designer may sell their time for building websites (service) as well as the domain name and software for hosting the site (product).

Since the readers of your BP may not be familiar with your product or service, it is imperative to provide a thorough explanation, even for aspects that may seem obvious to you. It is of great value to have individuals who are not involved in the business read your description to ensure clarity. In addition to the description of your product/service, you should include details about your target customers, market analysis, economic and social

sector description, and competitor analysis. In brief, in order to complete this section in your BP, you can follow the following steps:

Steps	Section: Business and products
Step 1	What are you going to sell: a product, a service or both? Specify
Step 2	Describe the core product or service that you will be selling If your product is complex, it is advisable to include a visual representation, such as a picture/diagram or any other visual support tool.
Step 3	Justify the product itself, its features and its design based on your market research
Step 4	Outline the various types of products or services you will be offering For example, if you were selling t-shirts, you might mention specific colours and sizes you will stock. If you were a plumber, you might have separate services for commercial properties, domestic households, and so on.
Step 5	If you do not intend to sell all your different types of products or services at the starting point of your business company, do explain the reason behind this decision and specify when (timing) you plan to begin offering them It could be due to market research conducted on a sample of products or services, or a desire to wait until you have a stable income/revenue before expanding your range of offerings.

1.c. Customers segments

This section is dedicated to describing the potential customers who may be interested in purchasing your products or services. It is crucial to understand these customers in order to devise effective strategies for reaching out to them. Be specific and gather detailed information about your target market, focusing on local customers who are likely to be interested in your business.

The strongest evidence that customers might be interested in your business is to report on sales of your products or services to date. The next best indicator is having customers who are eagerly waiting to make a purchase from you (show some evidence of that).

Here are the suggested steps to follow:

Steps	Section: Customers segments
Step 1	Clarify whether your customers are individuals, businesses, or both Your customer base may encompass both categories
Step 2	Describe your typical/standard customers (demographics and psychographics) and their needs (identify multiple segments if necessary) For instance, if your customers are individuals, provide a general idea of their age range and income levels. If your customers are businesses, specify the sector they operate in and their company sizes.
Step 3	Explain what makes your customers want to buy your product or service. Mention in which situations customers may want to buy your product or service: When do they buy your product or service? What triggers their intention to buy?

Step 4	Describe their needs and elaborate on the factors that influence your customers' choice of which business to buy from For example, consider factors such as experience, proximity, or perceived trendiness of a particular product.
Step 5	Share information about any previous sales of your products or services Include details on the number of sales made as well as the revenues generated. If possible (confidentiality), provide a list of customers and sales details.
Step 6	Discuss the number of customers who are eagerly waiting to make a purchase from you. Encourage potential customers to write a "letter of intent" expressing their interest in buying your product or service and include copies of these letters in your BP.

1.d. Competition

A competitor is any business that offers a product/service that is similar to yours. Typically, business companies have multiple competitors, but it is advisable to focus on those that customers are more likely to choose over your company/firm. These may include competitors located nearby, with similar pricing structures, or offering similar products or services. It is crucial to thoroughly analyze your business comparing it to your competitors.

In this section, it is also central to clearly display your value proposition or Unique Selling Proposition (USP). Your USP refers to the distinctive aspect that sets your business apart from your competitors. It can be related to your product/service or to the way you operate your business. It should be the compelling reason why customers choose your business over others. It is necessary you are specific and you avoid using clichés such as "better quality products," "better customer service," or "cheaper products." Consider how you can effectively demonstrate to your potential customers that you are the superior/preferred choice.

Steps	Section: Competition
Step 1	Identify your main competitors, try to determine at least five of them
Step 2	Gather relevant details about each of your competitors: <ul style="list-style-type: none"> – Who they are – Their location – The products or services they offer – The pricing of their offerings – The size of their company – Their primary strengths – Their primary weaknesses
Step 3	Describe your USP and then state, when compared to each of your competitors, the reason why customers would buy your products or service instead of theirs

[PROPOSED ACTIVITY – UNIT 2.1 BUSINESS, PRODUCTS, MARKET AND COMPETITION]

The purpose of this activity is that participants plan what will they write in their business plan regarding business, products, market and competition and how.

- Ask participants to individually follow the steps for each of the previously mentioned sections. (1) Business and products (2) Customers and market (3) Competition. It is not necessary to write the entire section but to outline the contents that will be written or, in case some information is missing, state how it will be attained. Remember that a much of the information required in this section would already be available from previous courses.
- Form groups of 3-4 people, and ask one member of the group to share his/her outline. The other members provide feedback and suggestions about possible changes, improvements for each block. The participant who has shared his/her template, writes down his/her partner's comments.
- Repeat the process with the rest of students. Remember to encourage participants to ask opinion from peers, to be open minded and to be flexible when receiving feedback.
- Share with the entire class the main issues raised, the information gaps or obstacles that have result from the activity.

IMPORTANT: Before participants leave, the trainer should approve or validate the outline of each participant and give green light to start developing the sections before the one-to-one mentoring session.

IMPORTANT: Please, note that the role of the trainer is to walk around the class checking students' progress, listening to their reasoning and providing instant feedback. Moreover, remember that it is extremely relevant that the participants that compose the groups vary from session to session. This way, participants in each session will work with different classmates, fostering their potential entrepreneur's network and developing social skills (e.g. negotiate, face discrepancies or disagreements, etc.).

1.e. Personal project assignment

Proposed task before the project review session with the student:

1. The objective of this mentoring session will be that participants can start writing the first sections of their business plan and received concrete feedback adapted tot heir project.
2. Moreover, keep monitoring the process of their personal project (e.g. design thinking process).

Before the session, participants will need to write in the BP template the reviewed sections in class.

Project review sessions:

1. The task is reviewed and the trainer gives feedback. They talk about the information written and any missing information.
2. Next, the participant updates the trainer regarding his/her project and they talk about the next steps of the project.

[ASSESSMENT TASK 2 – BUSINESS, PRODUCTS, MARKET AND COMPETITION]:

Submit the updated BP template.

The following grading system can be used to grade the three sections: 1. Business and products, 2. Customers and market, and 3. Competition:

0. The section is missing (not submitted).
1. The section has been submitted, but some steps are missing.
2. The section has been finished and all steps have been completed. However, some information is missing or the section is not as clear as it should be (structure, clarity, understandable, proper vocabulary, etc.).
3. The section has been finished and all steps have been completed. The section is easy to read and understand; it states the information clearly and appropriately.

Keep in mind that written feedback is way more relevant and useful for participants.

1.f. Support materials and references

Prince's Trust (2015) *THE PRINCE'S TRUST BUSINESS PLAN PACK – THE GUIDE*. Prince's Trust Enterprise Program.

https://documents.princes-trust.org.uk/BUSINESS_PLAN_2015.pdf

Prince's Trust (2015) *THE PRINCE'S TRUST BUSINESS PLAN PACK – THE BUSINESS PLAN*. Prince's Trust Enterprise Program.

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<https://www.cambrabcn.org/articles/pla-de-negoci>

2. Unit 2.2: Marketing plan

Objectives Unit 2.2

The objective of Unit 2.2. is to continue defining the BP components with the **Marketing plan**: Products, Price, Place and Promotion.

Contents Unit 2.2

This Unit 2.2 covers the following elements:

- a. Introduction
- b. Market environment
- c. Marketing plan
 - i. Product
 - ii. Price
 - iii. Place
 - iv. Promotion
- d. Personal project assignment
- e. Support materials and references

2.a. Introduction

Marketing encompasses any activity that aims to establish contact with potential customers. Effective marketing materials, in various formats, will attract the attention of customers, spark their interest, generate a desire for your product/service, and guide them towards taking action and seeking further information on those products and services.

The marketing plan is probably one of the most important parts of the BP. It is the fundamental axis and a pillar on which a business is created. Selling (products and/or services) is the primary focus of any business, and in order to succeed, it is essential to have a deep understanding of the market and its dynamics. It is not effective enough to have a vague idea about the market and how it operates.

We strongly advocate for two fundamental aspects of the marketing plan:

- The Market environment: market research and findings (Customer segments' Needs).'
- The Marketing strategy: Marketing Mix (product, price, place, and promotion).

Find below more details about these two elements.

2.b. Market environment

This probably will not be a section to be included in your BP in all the cases. However, it just might be important to consider all the information you have gathered to date so as to better justify your marketing plan. In this sense, you could elaborate on:

- Performed phases “1 Empathize” (Personal project assignments in Course 2), “2 Define” (Course 2 Unit 3: Initial idea validation) and “3 Ideate” (Personal project assignments of Course 3), describing customer’s needs and justifying the product adequacy to the market.

- The Market testing is done with the minimum viable product or prototype (Course 3 Personal project assignments and Unit 5: Pilot testing your idea).
- Any other research or idea validation such as information from suppliers /providers and distributors.

Find next a summary table:

Purpose of including the market research information	Phases of the design thinking process/ Steps of the lean-start-up methodology
To show that you are aware of customer needs	Describe "Phase 1 Empathize" (Personal project assignments in Course 2)
To justify that your product/service is based on customer's needs (from market research) and not only on your personal beliefs or ideas.	<ul style="list-style-type: none"> • Describe "Phase 2 Define" (Course 2 Unit 3: Initial idea validation) • Describe "Phase 3 Ideate" (Personal project assignments in Course 3) • Describe "Phase 4 Prototype"/ "Build step: Minimum Viable Product" (Personal project assignments in Course 3)
To show proof of the adequacy of your product to the market. In other words, to show that you are meeting customer needs.	• Describe "Phase 5 Validate"/ "Measure step" (Course 3 Unit 5: Pilot testing your idea)

This could be a groundwork on which you can base further development: you have listened to customers; you have talked to suppliers/distributors; and you are meeting customers' needs. The key point for a company is to enter the market in an effective manner, and that is what your marketing plan will cover.

2.c. Marketing plan

A frequently used model to describe the marketing plan in the BP is the marketing mix - proposed by Philip Kotler and Jerome McCarthy (see Needham, 1996; Kubicki, 2020). The original marketing mix, the so-called 4Ps, provides a well-known and reputed framework: *Product, Price, Place and Promotion*.

Product

Since you have already defined your product it is not necessary to go deep in describing that. Product descriptions may include the "quality, features, benefits, style, design, branding, packaging, services, warranties, guarantees, life cycles, investments and returns". You might want to justify some of those decisions according to your market research (target market, providers' information, etc.). The basic components to be integrated into the BP include:

Steps	Section: Marketing Plan: product
Step 1	Shortly explain how your products or services solve a specific problem or satisfy consumer's needs or wants
Step 2	Justify such adequacy with your market research

Price

Price refers to the total amount a customer pays for a product or service, sometimes thought of not only as monetary prices but also other typologies such as psychological costs, or time and effort spent in acquisition.

Previous to writing this section in your BP it is important you assess the costs associated with producing and delivering your product or service. Bear in mind that fixing a price only based on a cost analysis is not really a complete approach. Price is something we should precise out also based on suppliers and, more importantly, on our competitors. We should justify the competitiveness of our pricing based on the market environment and not just on our production costs.

In this understanding, it is rather important to determine the pricing objectives, such as maximizing profit or gaining market share (market share refers to the percentage of total sales or revenue that a company or product captures within a specific market compared to its competitors). Find below what is expected you incorporated into your BP in terms of pricing.

Steps	Section: Marketing Plan: price
Step 1	Define the price of the product
Step 2	Justify it in terms of: <ul style="list-style-type: none">– Perceived value and customer affordability: explain how the price aligns with your target audience– Competitiveness (compared to your competitors' prices)– Your pricing objectives– Profits and costs

Place (Distribution)

Before writing this section, you need to identify the distribution channels you will use to make your product or service available to customers. This may include direct sales, retail stores, e-commerce platforms, or partnerships with specific distributors. We encourage you to count on a well-planned distribution strategy, including any partnerships or agreements with distributors, as well as your plans for optimizing distribution channels in the future. Consider the logistical requirements of distributing your product, such as transportation, warehousing, and inventory management in your strategy.

You need to consider how your product or service will be delivered, shipped, and distributed. Physical delivery and logistics are often overlooked in the age of social media and the Internet. While digital presence is crucial, please do not forget the physical aspects of your product's journey. This may require streamlining and optimizing production and distribution processes.

Steps	Section: Marketing Plan: place (distribution)
Step 1	Describe the distribution channels that will be used
Step 2	Justify its election based on the market environment: customers characteristics & competitiveness
Step 3	Explain the payment systems/options you have chosen and how they align with your target market's preferences and convenience

Promotion

A successful promotion will enable potential customers to understand the nature of your business and locate you. In this section you need to define your branding, your communication methods, and the channels through which you will reach your customers. You need to explain your desired brand image and how that aligns with your target audience.

Before writing this section, it would be ideal to have your promotional goals defined, such as building brand awareness, driving sales, or educating customers about your product or service. Select the most effective promotional channels to reach your target audience, such as digital advertising, social media, content marketing, or traditional media. Determine the specific promotional tactics you will employ, including advertising campaigns, public-relations efforts, sales promotions, influencer marketing, or direct marketing.

The following are some commonly used promotional/marketing methods (see Prince's Trust, 2015):

Advertising	Business Cards (or leaflets)	Social Media	Direct Marketing
Refers to paid promotional activities through various channels such as print, radio, online platforms to reach a broader audience and create awareness of your brand.	Small cards that contain essential contact information (e.g., name, job title, company, phone number, email) to exchange with potential clients or contacts, serving as a reminder and facilitating future communication. Keep the design and wording simple.	Utilizing social media platforms such as Facebook, Instagram, Twitter, LinkedIn, TikTok, YouTube, etc. platforms can be an effective way to build brand awareness, engage with the audience, share content, and promote products or services.	Involves direct communication with potential customers using methods like direct mail, email marketing, face-to-face, or SMS marketing to deliver targeted messages and offers.
Tradeshows and Exhibitions	Website	Influencer Marketing	Referral Marketing
Events where businesses showcase their products or services to a specific industry or target audience, providing opportunities for networking, lead generation, and brand exposure. However, participating in tradeshows can be costly and time-consuming.	An online platform that represents your business, providing information about products, services, contact details, and often serving as a hub for online marketing efforts. It can also facilitate e-commerce transactions. Websites do not have to be complex; a few pages can suffice to showcase your offerings and provide contact information.	Collaborate with influencers or micro-influencers in your industry to leverage their credibility and reach. They can create sponsored content or endorse your products/services to their engaged audience.	Encourage satisfied customers to refer your business to others through incentives or referral programs. Word-of-mouth recommendations can be powerful in driving new leads.

Guiding steps for the incorporation of **Promotion** information into your BP:

Steps	Section: Marketing Plan: Promotion
Step 1	Describe your brand image (logo, colours, design, etc.)
Step 2	Justify how the brand image aligns with the target audience and the market environment (e.g. competition: other brands, products, etc.)
Step 3	Explain which promotional channels you have chosen Justify your election (Cost, target audience, competition, etc.) and explain what

	<p>the cost is In this case the cost refers to the price of using the channels, not a campaign or an advert itself (Step 4).</p>
Step 4	<p>Describe the method: type, design, amount, planning, cost, etc. For example:</p> <ul style="list-style-type: none"> – Print Advert: Explain the size, color, design, how many, for how long, cost, etc. – A Business card or leaflet: Explain the materials, information on them, who will do the design, how many, who will print it, how will them be distributed, cost, etc.. – Direct marketing: explain the method, cost, how you will find the contact details of potential customers, etc. – Social media (see Prince’s Trust Guide, 2015): <ul style="list-style-type: none"> ○ What do you want to achieve from social networking and how you will engage with your customers? for example, would you create a blog to give customers the inside view on your business or get customers to offer feedback on product design? ○ Which networking sites are preferred by your target market and for what purpose? ○ How are your business activities on social networking sites kept separate from your personal activity? ○ How does your social networking tie in with your website or other promotional materials and events objective, site,...? How are your business activities on social kept separate from your personal activity? – Tradeshows: Describe the events, costs, the relevance of attending, your plan, etc. – Website: Explain the design, functionalities, who will do the design, building and maintenance, its cost, etc.
Step 5	<p>Justify the method election Consider costs, target audience, effectiveness, competition, etc...</p>
Step 6	<p>Include any example, sketch, prototypes, promotional videos, etc.</p>

[PROPOSED ACTIVITY – UNIT 2.2 MARKETING PLAN]

The purpose of this activity is that participants plan what will they write in their business plan regarding their marketing plan.

- Ask participants to individually follow the steps for each of the components of the marketing plan: (1) Product (2) Price (3) Place (4) Promotion. It is not necessary to write the entire section but to outline the contents that will be written or, in case some information is missing, state how it will be attained. Remember that much of the information required in this section would already be available from previous courses.
- Form groups of 3-4 people. Ask one member of the group to share his/her outline. The other members provide feedback and suggestions about possible changes and improvements for each block. The participant who has shared his/her template, writes down his/her partner’s comments.
- Repeat the process with the rest of the participants. Remember to encourage participants to ask opinions from peers, and to be open-minded and flexible when receiving feedback.
- Share with the entire class the main issues raised, and the information gaps or obstacles that have resulted from the activity.

IMPORTANT: Before participants leave, the trainer should approve or validate the outline of each participant and give the green light to start developing the sections before the one-to-one mentoring session.

IMPORTANT: Please, note that the role of the trainer is to walk around the class checking students' progress, listening to their reasoning and providing instant feedback. Moreover, remember that it is extremely relevant that the participants that compose the groups vary from session to session. This way, participants in each session will work with different classmates, fostering their potential entrepreneur's network and developing social skills (e.g. negotiate, face discrepancies or disagreements, etc.).

2.d. Personal project assignment

Proposed task before the project review session with the student:

1. The objective of this mentoring session will be that participants can keep writing the sections of their BP and receive feedback adapted to their project.
2. Moreover, keep monitoring the process of their personal project (e.g. design thinking process).

Before the session, participants will need to write in the BP template the reviewed sections in class.

Project review sessions:

1. The task is reviewed and the trainer gives feedback. They talk about the information written and any missing information.
2. Next, the participant updates the trainer regarding his/her project and they talk about the next steps of the project.

[ASSESSMENT TASK 3 –MARKETING PLAN]:

Submit the updated BP template.

The following grading system can be used to grade each section of the Marketing plan: (1) Product (2) Price (3) Place (4) Promotion.

0. The section is missing (not submitted).
1. The section has been submitted, but some steps are missing.
2. The section has been finished and all steps have been completed. However, some information is missing, or the section is not as clear as it should be (structure, clarity, understandable, proper vocabulary, etc.).
3. The section has been finished and all steps have been completed. The section is easy to read and understand; it states the information clearly and appropriately.

Keep in mind that written feedback is way more relevant and useful for participants.

2.e. Support materials and references

Needham, D. (1996). *Business for Higher Awards*. Heinemann.

[ESP] Kubicki, M. (2020) *El marketing mix. Las 4 Ps para aumentar sus ventas*. Titivillus.
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Prince's Trust (2015) *THE PRINCE'S TRUST BUSINESS PLAN PACK – THE GUIDE*. Prince's Trust Enterprise Program.

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Prince's Trust (2015) *THE PRINCE'S TRUST BUSINESS PLAN PACK – THE BUSINESS PLAN*. Prince's Trust Enterprise Program.

https://documents.princes-trust.org.uk/BusinessPlanPack_FINAL.pdf

Prince's Trust (2015) Help for young people business tools and resources. Enterprise Program.

<https://www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans>

[CAT] Associació Catalana d'Universitats Públiques [ACUP] (2016) *Curs MOOC d'emprenedoria "Com crear la teva empresa"*. Fundació Princesa de Girona.

<https://www.fpdgi.org/ca/actualitat/noticies/curso-mooc-de-emprendimiento-como-crear-tu-empresa/>

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<https://www.cime.es/WebEditor/Pagines/guio%20pla%20d'empresa%20pdf.pdf>

[CAT] Consell Insular de Menorca [CIME] (2019) Plantilla Pla d'Empresa.

<https://www.cime.es/WebEditor/Pagines/plad'empresa%20web.doc>

[CAT] Cambra Comerç de Barcelona (2018) El pla de negoci com a eina de gestió estratègica - Model de Pla Empresa.

<https://www.cambrabcn.org/articles/pla-de-negoci>

3. Unit 2.3: Business operations

Objectives Unit 2.3

The objective of this Unit 2.3. is to define **Business operations** in the BP. Key components in this respect include: Organizational structure, forecast, execution, control (for the section “management and personal structure”), Suppliers, Production Plan, Facilities, Equipment, Shipping and Fulfillment, Payment and Inventory (from the section “business operations”).

Contents Unit 2.3

This Unit 2.3 covers the following elements:

- a. Management and personnel structure
 - i. Organizational structure
 - ii. Forecast
 - iii. Execution
 - iv. Control
- b. Business operations

- i. Suppliers
- ii. Production Plan
- iii. Facilities
- iv. Equipment
- v. Shipping and Fulfillment
- vi. Payment and Inventory
- c. Personal project assignment
- d. Support Materials and references

3.a. Management and personnel structure

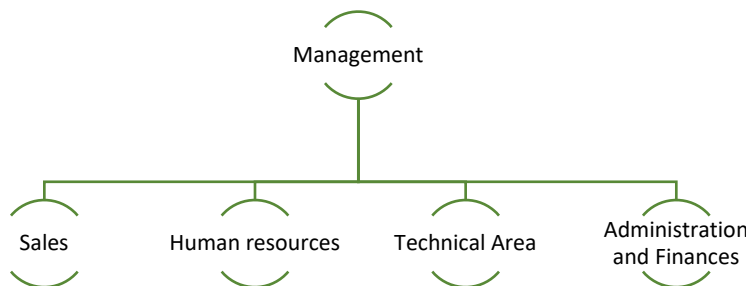
In this section, you aim at defining the structure and roles in the company. This is crucial because it not only clarifies how the company functions (or will function) but also serve as an example to show how the individuals that conform the company work together and relate to each other. You need to design the organizational structure and plan for human resources accordingly.

Each member of the team should be assigned specific responsibilities, such as marketing, operations, calculations, sales, and human resources organization. By doing so you would be in a better position to assess his/her strengths and weaknesses and promote cohesion.

You should introduce and highlight the background, experience, and individual abilities of team members. It is important to consider both formal education and relevant personal achievements in this respect.

Human resources should be organized in an organizational chart. Now, this chart could take many diverse forms. It is highly advised that the organizational chart in your company has a strong relationship with the type of activities the company is doing, the different actors the company relates to, and the nature of the company (public, private, NGO's....). Experts argue that the organization chart is a fixed picture of what may be ideal form a manager perspective, and it rarely reflects reality in its formal and informal ways. In any case, an organizational structure needs to serve a purpose and may be better thought of as a management tool (something you could use from a management perspective to order relationships, command, and so on...) rather than as an end in itself.

You may find other companies use hierarchical charts, matrix charts or divisional charts among many charts available in the literature and in practice. These may (or may not) suit your particular case. Take some time to analyze which type of structure best accommodates your needs. The chart below outlines a very simple task distribution type of chart that may be taken as a reference. But again, the may you design your company takes some thought and testing.



But, what if the company only has just one person employed? How would that person handle all these tasks? Maybe you find yourself assimilating all these five functions, and

adapting roles constantly. As the company grows, more roles will be filled. It is essential to avoid focusing solely on technical aspects. With time and growth you will need specialization and professionalism to take the lead. It will become necessary to have someone in charge of human resources, someone responsible for sales and marketing, someone to do the finance, and so on.

When setting such a structure it would become necessary to analyze these functions and tasks, to determine the levels of authority. Indeed, the team needs to be organized as a company, and therefore someone must be in charge.

The person in charge of leading the company will act as the manager or director, responsible for guiding others. Internal communication, decision-making processes, and information flow must be established.

Compensation should be determined early on, considering individual contributions and responsibilities. Entrepreneurs commonly make a mistake by not individualizing compensation based on positions in the organizational chart. Even in the absence of funds, these should be established, and each member should have his or her specific compensation. No company exists where everyone earns the same. Further labour time should also be allocated. Structure, salaries, and times should be all written down. Without that information it is not possible to calculate profits and losses, or breakeven point, among other information needs?

The section to be included in the BP may have the following dimensions: Organizational structure, Forecast, Execution, and Control.

Organizational structure

Description	Guiding questions
This section involves describing the current organizational structure of your company. It includes creating an organizational chart that depicts the hierarchical relationships and reporting lines within the organization. Job descriptions for each position are developed, outlining the roles, responsibilities, and required qualifications. Additionally, an inventory of existing positions is compiled to assess the current workforce and identify any gaps or areas for improvement.	<ul style="list-style-type: none"> – What is the current organizational structure of the company? – Create an organizational chart that represents the hierarchical relationships. – What are the job descriptions for each position within the organization? – What qualifications and skills are required for each position? – Compile an inventory of existing positions and assess the current workforce.

Steps	Section: Organizational structure
Step 1	<p>Describe the organizational structure of the company.</p> <ul style="list-style-type: none"> – In case you are a team: <ul style="list-style-type: none"> • Explain who will cover each function (see the chart above) and the tasks that will perform. • Describe how the internal communication works (hierarchy, meetings, etc.) • Describe how the decision-making process works. • Establish compensations for each employee. – In case you are the only employee: <ul style="list-style-type: none"> • Explicit that you are the sole full-time employee of the company. • Determine the functions and tasks you will cover (see the chart above) and specify if you are hiring contractors as needed to support your workflow and fill any gap in your functions or skill set. • Establish your compensation.

Step 2	Create an organizational chart depicting the information from Step 1. Assign each function or responsibility to each member of the team. You can also specify contractors, especially if you are the only employee.
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Forecast

Description	Guiding questions
In the forecast section, the focus shifts to the future. Based on the company's goals, a future organizational chart is designed. This chart outlines the envisioned structure of the company as it grows and evolves. It helps in identifying the positions that will be required in the future and provides a roadmap for organizational development.	<ul style="list-style-type: none"> – How do you envision the future organizational structure? – What positions will be needed as the company grows and evolves? – Are there any specific roles or departments that will be essential in achieving the company's future objectives?

Steps	Section: Forecast
Step 2	Describe the possible future organizational structure. Explain new positions that will be needed and other changes are expected to happen.

Execution

Description	Guiding questions
This section involves the implementation of the human resources plan. It includes the recruitment process, where strategies for sourcing and attracting suitable candidates are employed. Job postings may be created, interviews conducted, and selection criteria utilized to choose the most qualified individuals for the identified positions. The execution phase ensures that the human resources plan is put into action.	<ul style="list-style-type: none"> – What strategies will be employed for recruiting suitable candidates? – How will job postings be created and distributed? – What criteria will be used to evaluate and select candidates for each position? – What interview process will be followed to assess candidate qualifications and fit? – How will the chosen candidates be welcome and integrated into the organization?

Steps	Section: Execution
Step 2	Describe how candidates will be recruited. Determine how the selection process work: job posting and distribution tools, process' methods and stages (e.g. interviews) and decision criteria.

Control/monitoring

While in Course 5 a specific Unit will cover quality assessment and monitoring, it is worth mentioning at this point some key aspects specifically related to human resources.

Description	Guiding questions
Control refers to monitoring and evaluating the effectiveness of the human resources plan. It involves reviewing the results and conditions related to the implemented plan. This may include assessing employee performance, measuring the impact of organizational changes, and analyzing the overall effectiveness of the human resources strategy. Adjustments and improvements can be made based on the feedback and data gathered during the control phase.	<ul style="list-style-type: none"> – How will employee performance be measured and evaluated? – What metrics and indicators will be used to assess the effectiveness of the human resources plan? – Will there be regular reviews or assessments of the plan's progress and outcomes? – How will feedback from employees and managers be gathered to inform improvements?

Steps	Section: Control
Step 1	For each of the positions stated describe how the performance will be evaluated Explain any metrics, procedures or assessments that will be carried out to ensure the well-functioning of the company
Step 2	Describe the internal feedback process Explain how employees or managers will communicate to superiors and vice versa. Moreover, explain how feedback from employees or managers will be gathered and considered.

[PROPOSED ACTIVITY – UNIT 2.3 MANAGEMENT AND PERSONNEL STRUCTURE]

The purpose of this activity is that participants plan what will they write in their business plan regarding their Human Resources management plan.

- Ask participants to individually follow the steps for each of the components of the Management and Personnel structure section: (1) Organizational Structure (2) Forecast (3) Execution (4) Control. It is not necessary to write the entire section but to outline the contents that will be written or, in case some information is missing, state how it will be attained. Remember that a much of the information required in this section would already be available from previous courses.
- Form groups of 3-4 people. Ask one member of the group to share his/her outline. The other members provide feedback and suggestions about possible changes, improvements for each block. The participant who has shared his/her template, writes down his/her partner's comments.
- Repeat the process with the rest of the participants. Remember to encourage participants to ask opinions from peers, and to be open-minded and flexible when receiving feedback.
- Share with the entire class the main issues raised, the information gaps or obstacles that have result from the activity.

IMPORTANT: Before participants leave, the trainer should approve or validate the outline of each participant and give green light to start developing the sections before the one-to-one mentoring session.

IMPORTANT: Please, note that the role of the trainer is to walk around the class checking students' progress, listening to their reasoning and providing instant feedback. Moreover, remember that it is extremely relevant that the participants that compose the groups vary from session to session. This way, participants in each session will work with different classmates, fostering their potential entrepreneur's network and developing social skills (e.g. negotiate, face discrepancies or disagreements, etc.).

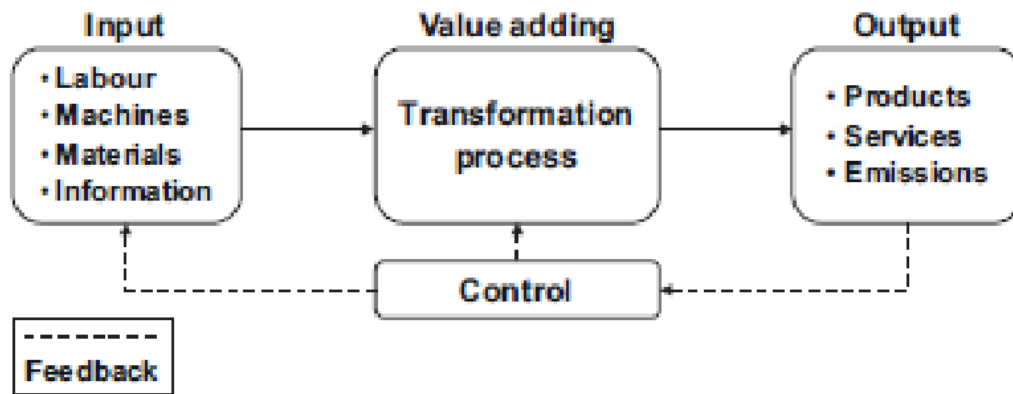
3.b. Business operations

In the previous section you have described how your product/service responds to a specific need. Now, it is time to prove how to develop and provide such a product or service. The production plan in this section needs to show that you have prepared and planned carefully your business operations.

When developing this section, imagine you are practicing for your first sale: go through each stage (from making or buying your product, to delivering it and cashing it). Think

about all the requirements, conditions and resource you may need. If you fail in organizing and coordinating the production of your products or services, it does not look realistic you are able to offer and sell them effectively: your credibility is at stake.

One well-known model used to represent your business operations in a simple way is the *Input-Process-Output (IPO) Model*:



Source: Ivanov et al., 2019.

Within the company's functioning, inputs and outputs play a crucial role. Inputs include materials, labor, capital, and instruments, which facilitate the transformation process and the provision of products and services. This represents the typical mechanics of a company: inputs enter the value added chain (are bought), undergo transformation, and outputs are then offered and sold. Throughout this process, you add value to a given number or combination of inputs. The greater the value you add during the transformation process, the higher the demand might be for your products and services. The production plan illustrates how and when this added value takes place.

As mentioned in Unit 1, it is important to emphasize that writing a BP plan it is not just a theoretical work: it involves making purchasing decisions, selecting suppliers, determining procurement frequency, and identifying storage arrangements, for example. By doing so in an accurate manner, you are taking the necessary steps in the path of successfully launching the company.

It is important that this Business operation section is structured around the product/service itself, which is the focal point of the production process. Despite that, remember that other aspects should be also be considered such as Suppliers, Production, Facilities, Equipment, Shipping and fulfillment, Payment and Inventory; they become inseparable parts of your business operations.

Suppliers

In this section, you may want to identify the key suppliers you will be working with to secure the raw materials, the semi-finished products, or the finished products necessary for the production process and commercialization. You need to request/obtain at least three price estimates for each item (from different suppliers). This aims at ensuring you have explored the market for the best quality-price balance in your inputs. In this Suppliers section you want to display and compare multiple suppliers and describe how you will choose from them, that is, what criteria you will use and how you plan to establish strong relationships with them. This section will look great if you consider and specify

their prices, conditions, delivery timelines, optimal order volume, and other relevant factors.

Guiding questions	
	<ul style="list-style-type: none"> • How will you identify potential suppliers for your business? • What criteria will you use to evaluate and select your suppliers? • How do you plan to establish strong relationships with your suppliers? • What factors will you consider when negotiating terms and pricing with suppliers? • How will you ensure a steady supply of raw materials or finished products from your suppliers? • Will you have alternative suppliers in case of disruptions or changes in your primary supplier relationships? • What measures will you take to monitor the quality and reliability of your suppliers' products or services? • How will you address any issues or conflicts that may arise with your suppliers?

Steps	Section: Suppliers
Step 1	List all materials and elements you need to obtain from suppliers
Step 2	For each element, describe final chosen supplier's conditions and costs
Step 3	Justify the election of the supplier you will work with Why did you choose to work with this supplier and not with the others you contacted?

Production Plan

In this section in the BP, there are two central parts you need to detail:

- i. The production process, and
- ii. Cost calculation of your product/service.

i. The production process

This subsection should elicit the specific steps followed from the acquisition of materials to the manufacturing and final delivery. It is also useful to mention any specialized technology or machinery that will be used in the process.

Steps	Section: Production plan (the process)
Step 1	<p>Describe what are the inputs and how is the transformation process to finally produce the product or deliver the service</p> <p>It is necessary to explain in detail how the input materials are modified, including who performs the modifications, the methods used, the instruments utilized, and other relevant details.</p>

ii. Cost calculation of one unit (produced product or delivered service).

You should be able to convey the final production cost of your product or service. However, knowing the unitary cost requires knowing about fixed and variable costs (see Course 3 - Unit 4 for more detail) of operating your business.

Fixed costs refer to expenses that remain constant regardless of the level of production or sales. These costs do not fluctuate and are incurred regardless of the business's performance. Examples of fixed costs may include:

- Rent or lease payments for facilities or office space.
- Salaries of full-time employees.
- Annual licensing fees for software or intellectual property.

Fixed costs Example Month	
Gross salaries	1,800 €
Provisions:	
Phone	60 €
Electricity	30 €
External Services	300 €
Office rental	715 €
Taxes	10 €
Total	2,915 €

Variable costs, on the other hand, are directly proportional to the level of production or sales. As the volume of your business activities increases or decreases, variable costs will also correspondingly fluctuate. Examples of variable costs may include:

- Cost of raw materials or inventory.
- Direct labor costs.
- Packaging and shipping expenses.
- Sales commissions.

When calculating the unitary cost you need to know the cost of each variable cost and calculate the expense it represents per Unit (one product or service). In the unitary cost calculation you also want to include the cost employees represent, for example, the cost per hour of the employees involved. This involves knowing how much it is paid to an employee for one hour (calculated from the month salary) and how many hours are invested in the production of a unit.

Unitary cost calculation example – Providing a Massage:

Element	Amount	Cost	Massage cost
Masseuse / Masseur	1h 30 min	20€/hour	30€
Massage Oil	100 ml	5€/L	0,5€
			30.5€

Obviously, there are many other fixed costs that should be added, for example, the electricity, renting the facilities, or water cost. See below a more complete example of a producing a unit of Tiramisu:

Element	Amount	Cost	Unit Cost
Ladyfinger Cookies	100g	2€/400g	0.50 €
Espresso/Coffee	0.25 liters	2.50€/liter	0.63 €
Mascarpone Cheese	100g	2€/500g	0.40 €
Eggs	2 eggs	0.20€/egg	0.40 €
Sugar	50g	1.20€/kg	0.06 €
Cocoa Powder	10g	4.00€/kg	0.04 €
Vanilla Extract	2ml	3.00€/100ml	0.06 €
Electricity	0,3 kWh	0.15€/kWh	0.05 €
Employee	3 min (producing 10	18€/hour	0.90 €

	Tiramisus in 30 min)		
Packaging	1 serving	0.20€/serving	0.20 €
Amortization			0.01 €
TOTAL UNIT COST			3.25 €

The general formula for Unit cost calculation is the following, but it implies knowing how many units are produced:

$$\text{Unit cost} = \frac{\text{Variable cost} + \text{Fixed Cost}}{\text{Total Units Produced}}$$

Steps	Section: Production plan (cost calculation)
Step 1	List all your variable costs and their prices
Step 2	List all your fixed costs and their prices
Step 3	Calculate the price that each cost represents for a unit
Step 4	Aggregate all the costs per unit

Facilities

In this section, you can describe the physical facilities necessary to carry out your operations. This may include offices, factories, warehouses, or any other relevant space for your business. Describe the characteristics of these facilities and whether you plan to rent or purchase them.

Guiding questions	
	<ul style="list-style-type: none"> • What type of physical facilities will be required for your business operations? • Will you need office space, factories, warehouses, or other specific facilities? • Will you rent or purchase the necessary facilities? • What are the specific characteristics or features required for your facilities? • How will you ensure that the facilities meet any regulatory or safety standards? • Are there any potential expansion plans for your facilities in the future? • What considerations have you made regarding the location of your facilities? • Will you need to make any modifications or renovations to the facilities to suit your business needs?

Steps	Section: Facilities
Step 1	Identify the facilities required for your business
Step 2	Describe the characteristics of each chosen facility and justify its adequacy Explain the actual facility features, size, location, and other relevant aspects. Evaluate the importance of these aspects for your business. You may also include details about the selection process.
Step 3	Determine whether you plan to rent, purchase, or already own the facilities Describe the price of the facility, the budget, estimated costs, etc.
Step 4	Explain the maintenance of the facilities, as well as any compliance and regulatory requirements

Equipment

Here, you can list and describe the equipment needed to carry out your business operations. This may include machinery, tools, vehicles, computer equipment, or other

items required for production, distribution, or service delivery. Mention whether you plan to acquire, lease, or use shared equipment.

Guiding questions	
<ul style="list-style-type: none"> • What equipment will be needed to support your business operations? • What specific machinery, tools, vehicles, or computer equipment will be required? • Will you acquire, lease, or utilize shared equipment? • How will you ensure the proper maintenance and repair of the equipment? • Are there any backup plans or contingency measures in place for equipment failure or downtime? • What considerations have you made regarding the cost and lifespan of the equipment? • Will you need any specialized training or expertise to operate or maintain the equipment? 	

Steps	Section: Equipment
Step 1	Identify the specific types of equipment needed for your business operations. If necessary, create a list with all the elements.
Step 2	Describe the functionality and purpose of each piece of equipment.
Step 3	Determine whether you plan to acquire, lease, or use shared equipment. Outline your equipment procurement plan, including estimated costs and suppliers.
Step 4	Explain the maintenance or repair requirements for the equipment, as well as any regulatory or compliance considerations.
Step 5	Consider future equipment needs and expansion plans as your business grows.

Shipping and Fulfillment

This section focuses on how you plan to manage the shipping and delivery of your products or services to customers. You can discuss the shipping methods you will use, the logistics partners or transportation companies you will work with, and how you plan to meet delivery deadlines and requirements.

Guiding questions	
<ul style="list-style-type: none"> • What methods or channels will you use for shipping and delivering your products or services? • Will you handle shipping in-house or partner with logistics companies or transportation providers? • How will you ensure timely and efficient delivery to meet customer expectations? • What considerations have you made regarding shipping costs and pricing strategies? • Will you offer any tracking or notification systems to keep customers informed of their orders? • How will you handle returns, exchanges, or any customer complaints related to shipping or fulfillment? • Are there any regulations or customs requirements that need to be considered for international shipping? • How will you optimize your shipping and fulfillment processes to minimize errors and delays? 	

Steps	Section: Shipping and fulfillment
Step 1	Identify the shipping and fulfillment methods you plan to use and justify its adequacy in terms of logistics. In this section the focus is set on the product logistical and distribution requirements, so the justification should be based on the business operations. Remember that in the Marketing Plan section “Place (distribution)” these methods were explained and justified in terms of market environment.
Step 2	Describe the logistics partners or transportation companies you will work with. Outline their conditions, costs, terms, etc. Explain any other cost considerations associated with shipping and fulfillment.
Step 3	Provide an estimated timeline for order processing and delivery.

	Explain how you will meet delivery deadlines and requirements.
Step 4	Discuss any systems for tracking shipments and managing logistics. Moreover, address customer service and communication protocols related to shipping.

Payment

In the payment section, you may want to include how would you handle the payment process with both your customers and suppliers. Describe here the different payment methods you will offer to your customers, such as cash, credit cards, debit cards, online payment platforms, or any other methods that you find suitable for your business.

Describe how would you handle invoicing and billing processes, too. Explain the frequency of issuing invoices, how will you generate them, and the information that will be included. Discuss any automated systems or accounting software you plan to use to streamline the invoicing and billing processes.

Guiding questions	
	<ul style="list-style-type: none"> • What payment methods will you offer to your customers? Will you accept cash, credit cards, debit cards, online payment platforms, or any other specific methods? • How will you ensure the security and confidentiality of customer payment information? • Will you implement any fraud prevention measures or tools? • How will you handle recurring or subscription-based payments, if applicable? • What are your payment terms and conditions? Will you require full payment upfront or offer payment plans? • How will you communicate and enforce payment deadlines and consequences for late or missed payments? • How frequently will you issue invoices to your customers, and what information will be included? • How will you generate and distribute invoices to your customers? • Will you utilize any automated systems or accounting software for streamlined invoicing and billing processes? • How will you handle billing disputes or discrepancies? • How will you maintain accurate and organized records of all invoicing and billing activities?

Steps	Section: Payment
Step 1	Describe the payment methods you will offer, such as cash, credit cards, online platforms, etc. Discuss any partnerships with payment processors or financial institutions.
Step 2	Explain how you will handle the invoicing and billing processes. Discuss, including frequency and generation methods. Outline any automated systems or software you plan to use for invoicing and billing.
Step 3	Outline procedures for handling refunds, chargebacks, and disputes.
Step 4	Consider regulatory compliance requirements related to payments and explain the security measures taken to protect customer payment information.
Note	<i>Remember that the price was defined in the Marketing Plan and justified in terms of cost and market environment. This section is focused on logistics and operations.</i>

Inventory

Describe how you plan to manage your inventory, from the acquisition of raw materials to the control and stock of finished products. Identify tools or systems you will use to track

inventory accurately and how will you avoid problems such as obsolescence or running out of stocks.

Guiding questions	
<ul style="list-style-type: none"> • What systems or tools will you use to manage your inventory effectively? • How will you track and control the acquisition of raw materials or finished products? • Will you implement a just-in-time inventory system or maintain safety stock levels? • How will you prevent stock-outs or overstock situations? • What measures will you take to avoid inventory obsolescence or spoilage? • Will you conduct regular inventory audits or implement cycle counting procedures? • How will you optimize your inventory turnover rate and manage inventory carrying costs? • What steps will you take to address any discrepancies or issues identified during inventory management? 	

Steps	Section: Inventory
Step 1	Describe your inventory management approach, including raw material acquisition and finished product control. Discuss the tools or systems you will use to track inventory accurately. Explain how you will forecast demand and set optimal inventory levels. Address strategies to minimize inventory obsolescence and stockouts. Discuss partnerships or relationships with suppliers to ensure a reliable supply chain
Step 2	Outline quality control measures for maintaining inventory integrity and explain how you will monitor inventory performance using key metrics.

[PROPOSED ACTIVITY – UNIT 2.3 BUSINESS OPERATIONS]

The purpose of this activity is that participants plan what will they write in their business plan regarding their business operations.

- Ask participants to individually follow the steps for each of the components of the marketing plan: (1) Suppliers (2) Production (3) Facilities (4) Equipment (5) Shipping and fulfillment (6) Payment and (7) Inventory. It is not necessary to write the entire section but to outline the contents that will be written or, in case some information is missing, state how it will be attained. Remember that a much of the information required in this section would already be available from previous courses.
- Form groups of 3-4 people. Ask one member of the group to share his/her outline. The other members provide feedback and suggestions about possible changes, improvements for each block. The participant who has shared his/her template, writes down his/her partner's comments.
- Repeat the process with the rest of the participants. Remember to encourage participants to ask opinions from peers, and to be open-minded and flexible when receiving feedback.
- Share with the entire class the main issues raised, the information gaps or obstacles that have result from the activity.

IMPORTANT: Before participants leave, the trainer should approve or validate the outline of each participant and give green light to start developing the sections before the one-to-one mentoring session.

IMPORTANT: Please, note that the role of the trainer is to walk around the class checking students' progress, listening to their reasoning and providing instant feedback. Moreover, remember that it is extremely relevant that the participants that compose the groups vary from session to session. This way, participants in each session will work with different

classmates, fostering their potential entrepreneur's network and developing social skills (e.g. negotiate, face discrepancies or disagreements, etc.).

3.c. Personal project assignment

Proposed task before the project review session with the student:

1. The objective of this mentoring session will be that participants can keep writing the sections of their business plan and received concrete feedback adapted to their project.
2. Moreover, keep monitoring the process of their personal project (e.g. design thinking process).

Before the session, participants will need to write in the BP template the reviewed sections in class.

Project review sessions:

1. The task is reviewed and the trainer gives feedback. They talk about the information written and any missing information.
2. Next, the participant updates the trainer regarding his/her project and they talk about the next steps of the project.

[ASSESSMENT TASK 4 – HUMAN RESOURCES MANAGEMENT AND BUSINESS OPERATIONS]:

Submit the updated BP template.

HUMAN RESOURCES - Management and Personnel structure section: (1) Organizational Structure (2) Forecast (3) Execution (4) Control	Business operations: (1) Suppliers (2) Production (3) Facilities (4) Equipment (5) Shipping and fulfillment (6) Payment (7) Inventory
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The following grading system can be used to grade each section:

0. The section is missing (not submitted).
1. The section has been submitted, but some steps are missing.
2. The section has been finished and all steps have been completed. However, some information is missing, or the section is not as clear as it should be (structure, clarity, understandable, proper vocabulary, etc.).
3. The section has been finished and all steps have been completed. The section is easy to read and understand; it states the information clearly and appropriately.

Keep in mind that written feedback is way more relevant and useful for participants.

3.d. Support materials and references

Brown (2018) Input-Process-Output (IPO) Model. Youtube.

<https://youtu.be/DBRNE3A5Wvw>

Walley, P. (2017) 'Introduction to operations management'.

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Prince's Trust (2015) *THE PRINCE'S TRUST BUSINESS PLAN PACK – THE GUIDE*. Prince's Trust Enterprise Program.

https://documents.princes-trust.org.uk/BUSINESS_PLAN_2015.pdf

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https://documents.princes-trust.org.uk/BusinessPlanPack_FINAL.pdf

Prince's Trust (2015) Help for young people business tools and resources. Enterprise Program.

<https://www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans>

[CAT] Associació Catalana d'Universitats Públiques [ACUP] (2016) *Curs MOOC d'emprenedoria "Com crear la teva empresa"*. Fundació Princesa de Girona.

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<https://www.cime.es/WebEditor/Pagines/guio%20pla%20d'empresa%20pdf.pdf>

[CAT] Consell Insular de Menorca [CIME] (2019) Plantilla Pla d'Empresa.

<https://www.cime.es/WebEditor/Pagines/plad'empresa%20web.doc>

[CAT] Cambra Comerç de Barcelona (2018) El pla de negoci com a eina de gestió estratègica - Model de Pla Empresa.

<https://www.cambrabcn.org/articles/pla-de-negoci>

3. Unit 2.4: Financial plan and forecast

Objectives Unit 2.4

The objective of this Unit 2.4. is to define the **Financial Plan** contents in the BP by completing the following sections: Investment plan, financing plan, financial forecast, personal survival budget, cash-flow forecast and breakeven point.

Contents Unit 2.4

This Unit 2.4 covers the following elements:

- a. Introduction
- b. Start-up costs - Investment plan
- c. Financing plan
- d. Financial forecasts: sales and costs
- e. Personal survival budget
- f. Cash-flow forecast
- g. Breakeven point
- h. Personal project assignment
- i. Support Materials and references

4.a. Introduction

The aim of this section is to analyze the financial and economic plan, which is crucial in determining the required investment for your business, project profitability, and risk assessment. The following section will help you analyze the investment and financing levels, as well as assist you in the review of the expected sales to see if they provide enough profitability.

4.b. Start-up costs – Investment plan

The initial Investment Plan identifies the necessary resources you need to invest in order to carry out the company's activities, it will need to specify the monetary amounts and the date on which they will be carried out. This includes all the elements you require to make sure you could offer/deliver your product/service: the infrastructure, equipment, vehicles, office furniture and material and so on.

The investment plan results from all the necessary elements you identified and listed in the business operations section. Once you have identified all the necessary investments, you should also determine when you plan to pay back for them. Further, next to each item required you might want to indicate its useful life, that is how long this asset will last and, therefore, how you will allocate its cost and plan for its replacement.

In this section it is important to minimize possible mistakes. Do not guess costs: request quotes on prices/charges, and be specific. Focus on what you really need.

Steps	Section: Start-up costs & Investment
Step 1	List the necessary elements to carry out the company's activities.
Step 2	Determine each element's investment cost and useful life.

4.c. Financing plan

Once you have identified the start-up costs and all the necessary investments, it is necessary to establish how you will finance them. The financing plan focuses on determining how to fund the investments. In other words, how you will obtain the financial resources necessary to pay for these investments, that is, will you raise the funds required. It involves identifying the necessary financing and its sources, as well as understanding the conditions and implications of obtaining the funds.

Aligning the investment and the financing plans is crucial for a successful financial strategy. A common error is not having adequate financing for the necessary investment. It is a very poor starting point: insufficient financing can be detrimental to the company's growth and sustainability, so it is essential to ensure the financial resources are properly aligned with the investment needs.

Steps	Section: Financing Plan
Step 1	Describe your financings and its sources. Remember that the necessary financing will be based on the investment plan.
Step 2	Explain the conditions and implications of obtaining the funds. Answer to the question: What are the conditions for obtaining this financing, and how will it affect the company? This includes aspects like interest rates, repayment terms, collateral requirements, and any potential effects on the company's cash flow and profitability.

4.d. Financial forecasts: sales and costs

Following The Prince's Trust (2015) Business Plan guide, a sales forecast provides an estimate of the number of sales you aim to achieve in your first year and the corresponding revenue generated. It may be challenging to determine an accurate sales figure, so it is advisable to aim at a conservative estimate. Many businesses are influenced by external factors such as holidays, weather conditions, seasons, and so on, which can have an impact on sales. Consider anticipating variations in sales volumes during certain months and reflect this in your sales estimates.

In addition, a cost forecast should outline the projected expenses associated with producing and delivering the products or services based on the sales forecast. It indicates the revenues you would spend on products or services if you achieve the sales objectives outlined in your sales forecast.

Adapting the guidelines from The Prince's Trust (2015) Business Plan guide, we suggest the following steps:

Steps	Section: Financial forecast
Step 1	Create a spreadsheet (with the names of the months in the columns, beginning with the month you plan to start selling products/services).
Step 2	Estimate your monthly sales: <ul style="list-style-type: none"> – Realistically estimate how many products/services you think you can sell per day. – Multiply that amount by the number of days you will operate per week. – Multiply the result by 4.348 (average number of weeks in a month)
Step 3	Calculate your monthly sales revenues and costs: <ul style="list-style-type: none"> – Multiply the number of sales by the price of one product/service. – Multiply the number of sales by the cost of one product/service.
Step 4	Complete the spreadsheet (Step 1) with the monthly revenues and costs considering variations in sales during certain months

4.e. Personal survival budget

A survival budget is a calculation of the monthly amount required to cover your living expenses, see The Prince's Trust Business Plan guide (Prince's trust, 2015). To determine this, you add up your personal expenditures and subtract any income you receive from sources other than your business. This budget reflects the necessary funds needed to sustain your basic needs and financial obligations on a monthly basis.

Steps	Section: Personal survival budget
Step 1	Compile a comprehensive list of all the various expenses you incur on a monthly basis and aggregate them to obtain your monthly expenses. For those items with a variable cost, estimate the average amount you typically spend per month. Exclude any business-related expenses from this list. Find here a list that could assist you to estimate your expenses: mortgage or rent, supplies bills (water, gas, electricity, telephone, wi-fi, etc.), groceries, clothing, taxes, insurances, other properties charges (e.g. car: tax, insurance and maintenance), entertainment and subscriptions (meals, drinks, cinema, gym, sports, etc.), savings, etc.
Step 2	Aggregate all the income you receive on a monthly basis to obtain your monthly income.
Step 3	Subtract your monthly expenses from your monthly income to calculate the necessary monthly profit you require from your business to cover your personal living expenses. Bear in mind that not all months may work out the same.

4.f. Cash-flow Forecast

The cash flow forecast provides information about the inflows and outflows of cash in a business over a specific period, for example, one year. It shows the sources and uses of cash, including operating activities (such as sales and expenses), investing activities (such as purchases or sales of assets), and financing activities (such as loans or equity investments). It considers the timing of cash receipts and payments, including when revenue is collected and when expenses are paid. It also includes non-cash items such as depreciation or changes in working capital. Please, note cash does not necessary mean only coins and notes, but money that is immediately available.

For each month, the following elements should be considered and included in your cash-flow:

- The opening balance (corresponding to the closing balance of the previous month).
- The receipts received.
- The payments made.
- The closing balance (corresponding to the opening balance of the next month).

Concept	Pre-start (it could be included in month 1)	Month 1	Month 2	...
	Opening balance	Opening balance	Opening balance month 2	Opening balance month 3
Receipts	Financing plan	Receipt 1	Receipt 1	Receipt 1
	Financing plan	Receipt 2	Receipt 2	Receipt 2
	Financing plan	Receipt 3	Receipt 3	Receipt 3

	Total income	Total income	Total income	Total income
Payments	Investment plan	Payment 1	Payment 1	Payment 1

	Investment plan	Payment 2	Payment 2	Payment 2
	Investment plan	Payment 3	Payment 3	Payment 3

	Total costs	Total costs	Total costs	Total costs
	Month Balance (Income – Costs)	Month Balance (Income – Costs)	Month Balance (Income – Costs)	Month Balance (Income – Costs)
	Closing Balance (Initial balance + month balance)	Closing Balance (Initial balance + month balance)	Closing Balance (Initial balance + month balance)	Closing Balance (Initial balance + month balance)

The cash flow forecast consolidates all the work you have done in your plan. It is crucial to approach the forecast with realism and accuracy. All the costs that appear in your cash flow need to be explained in other sections of the BP, mainly in the business operations marketing plan.

Once your business is operational, it is important to keep a record of your actual income and expenses. This record should be compared to your forecasted cash flow to evaluate the performance of your business and gain insights into its financial condition.

Adapting the guidelines The Prince's Trust (2015) Business Plan guide we suggest the following steps:

Steps	Section: Financial forecast
Step 1	Create a spreadsheet in which the columns represent the number of months you want to forecast; the first column indicates the concept/element name.
Step 2	In the top rows, indicate your sources of income (one per line) and aggregate the amounts. This might include sales (from your financial forecast), funding, your own money, etc.
Step 3	Below, repeat the process with the payments, and list all the costs (money going out of your business) and aggregate the amount.
Step 4	In the bottom rows, indicate the balance of the month (subtract the total costs from total income) and indicate the closing balance (add or subtract the month balance to the Initial balance).

4.g. Breakeven point

The breakeven point is an indicator of a company's financial viability. It represents the stage where revenues surpass expenses: this means having reached the threshold of profitability. It is the moment in which the total income of the business equals the total costs of the business (Total costs = Total revenue).



Source: Giménez, 2021.

Graphically, the breakeven point is represented when the revenue line surpasses the expense line, indicating profitability.

The breakeven point is calculated based on the contribution margin, which is the difference between the selling price and variable costs divided by the selling price. By determining the breakeven point, we can ascertain the number of sales or units required to achieve a viable business.

Steps	Section: Breakeven point
Step 1	<p>Calculate the contribution margin: divide the difference between the selling price and variable costs by the selling price.</p> $\text{Contribution margin} = \frac{\text{Price} - \text{Variable Cost}}{\text{Price}}$
Step 2	<p>Divide the total cost of your cashflow (in a year) by the contribution margin to obtain the breakeven point (the amount of money you need to generate per year to cover costs).</p> $\text{Breakeven Point} = \frac{\text{Total costs}}{\text{Contribution margin}}$

[PROPOSED ACTIVITY – UNIT 2.4. FINANCIAL PLAN]

The purpose of this activity is that participants outline their financial plan.

- Ask participants to individually follow the steps for each of the components of the financial plan: (1) Investment Plan (2) Financing Plan (3) Financial forecast (4) Personal survival budget (5) Cash-flow forecast and (6) Breakeven point. It would be ideal to be as much specific as possible and to perform the higher number of realistic calculations.

IMPORTANT: Please, note that the role of the trainer is to walk around the class checking students’ progress, listening to their reasoning and providing instant feedback. If the trainer finds a frequent doubt among participants should consider explaining it out loud in the board.

4.h. Personal project assignment

Proposed task before the project review session with the student:

1. The objective of this mentoring session will be that participants can keep writing the sections of their business plan and received concrete feedback adapted to their project.
2. Moreover, keep monitoring the process of their personal project (e.g. design thinking process).

Before the session, participants will need to try to write and do the corresponding calculations in the reviewed sections in class of the BP template.

Project review sessions:

1. The task is reviewed and the trainer gives feedback. They talk about the information written and the calculations of the financial plan.
2. Next, the participant updates the trainer regarding his/her project and they talk about the next steps of the project.

[ASSESSMENT TASK 5 –FINANCIAL PLAN]:

Submit the updated BP template.

The following grading system can be used to grade each section: (1) Investment Plan (2) Financing Plan (3) Financial forecast (4) Personal survival budget (5) Cash-flow forecast and (6) Breakeven point.

0. The section is missing (not submitted).
1. The section has been submitted, but some steps are missing.
2. The section has been finished and all steps have been completed. However, some information is missing, or the section is not as clear as it should be (structure, clarity, understandable, proper vocabulary, etc.).
3. The section has been finished and all steps have been completed. The section is easy to read and understand, it states the information clearly and appropriately.

Keep in mind that written feedback is way more relevant and useful for participants.

4.i. Support materials and references

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5. Unit 2.5: Executive summary and SWOT analysis

Objectives Unit 2.5

The objective of this Unit 2.5. is to outline and describe the **SWOT analysis** and the Executive Summary components of the BP.

Contents Unit 2.5

This Unit 2.5 covers the following elements:

- a. SWOT analysis
 - i. What is a SWOT analysis?
 - ii. Purpose and use of the SWOT analysis
 - iii. How to perform a SWOT analysis
 - iv. Strengths
 - v. Weaknesses
 - vi. Opportunities
 - vii. Threats
- b. Executive summary
 - i. Business summary
 - o Need to Cover
 - o Solution, Products/Services and Value Proposition
 - o Company Description and The Team
 - o Main Competitors
 - ii. Summary of other main sections. For example:
 - o Marketing plan
 - o Business operations
 - o Financial plan
 - o SWOT
 - iii. Objectives and Strategy
 - iv. Current Situation
- c. Personal project assignment
- d. Support Materials and references

5.a. SWOT Analysis

What is a SWOT analysis?

SWOT is an acronym for strengths, weaknesses, opportunities, and threats. It is a method of analysis and a tool that can assist you in analyzing your company from the inside and from an external perspective. Its purpose is to devise a successful strategy for the future that ideally builds on your strengths and takes out the best from the existing opportunities in the environment. It enables you to, for example, identify areas within your business that

may be hindering progress or making you vulnerable to competitors if not addressed and protected accordingly.

A SWOT analysis examines both internal and external factors, with strengths and weaknesses being internal to your company, and opportunities and threats being external. This analysis is often referred to as an internal-external analysis. While conducting a SWOT analysis, it is important to recognize that certain factors will be entirely under your control (you can make decisions on them) while others will not.

SWOT analyses are commonly presented visually using a matrix format. This visual representation helps to organize and analyze the information in an effective manner.



Source: Own elaboration.

Purpose and use of the SWOT analysis

Incorporating a SWOT analysis into your BP can greatly enhance your understanding of your business and its environment. A well-executed SWOT analysis works as a roadmap, drawing attention to important areas and providing guidance for immediate action and consideration. Conducting a thorough examination of your business and its industry is inherently valuable as it enables you to make strategic decisions and proactively soften potential risks. By evaluating the strengths, weaknesses, opportunities, and threats of a business, a SWOT analysis helps identify areas for improvement, plan ahead, and reflect on how to capitalize on current opportunities.

Furthermore, a comprehensive SWOT analysis should also shed light on potential obstacles and provide guidance on when and how to address them. Due to its reliance on four neutral factors, a SWOT analysis provides a less biased appraisal of a situation. Investors, stakeholders, board members, and even customers appreciate an objective and well-presented SWOT analysis.

How to perform a SWOT analysis

The analysis is divided into four sections –as stated: Strengths, Weaknesses, Opportunities, and Threats - each of which explores relevant attributes and drawbacks related to your business.

Brainstorming is often an effective way to initiate a SWOT analysis, as it involves making lists. Simply note down any observations or ideas that come to mind and then expand upon or refine them later. When you start writing a list, the thought process and further research often stimulate and prompt ideas for other lists. Moreover, if you compare these lists, you will notice connections and contradictions that will help you highlight and explore new items.

Finally, it is also important to consider that the purpose of conducting this SWOT analysis is to create action plans.

- If you identify an opportunity, which actions will you take to take advantage of it?
- If you have identified a weakness, which actions will you take to diminish it?
- If you have identified different threats, which actions will you put forward to prevent and work towards to alleviate them?
- If you have identified a strength, how can you best use it, how can you make the most out of it?

Steps	Section: SWOT components								
Step 1	<p>Create list of elements for each box of the SWOT analysis. To do so, you can use creativity techniques such as brainstorming and reflect on the key questions in each box:</p> <table border="1" data-bbox="355 976 1347 1296"> <thead> <tr> <th data-bbox="355 976 834 1010">Strengths</th> <th data-bbox="834 976 1347 1010">Weaknesses</th> </tr> </thead> <tbody> <tr> <td data-bbox="355 1010 834 1126"> <ul style="list-style-type: none"> • What do you do well? • What unique resources can you draw on? • What do others see as your strengths? </td> <td data-bbox="834 1010 1347 1126"> <ul style="list-style-type: none"> • What could you improve? • Where do you have fewer resources than others? • What are others likely to see as weaknesses? </td> </tr> <tr> <th data-bbox="355 1126 834 1160">Opportunities</th> <th data-bbox="834 1126 1347 1160">Threats</th> </tr> <tr> <td data-bbox="355 1160 834 1296"> <ul style="list-style-type: none"> • What opportunities are open to you? • What trends could you take advantage of? • How can you turn your strengths into opportunities? </td> <td data-bbox="834 1160 1347 1296"> <ul style="list-style-type: none"> • What threats could harm you? • What is your competition doing? • What threats do your weaknesses expose to you? </td> </tr> </tbody> </table>	Strengths	Weaknesses	<ul style="list-style-type: none"> • What do you do well? • What unique resources can you draw on? • What do others see as your strengths? 	<ul style="list-style-type: none"> • What could you improve? • Where do you have fewer resources than others? • What are others likely to see as weaknesses? 	Opportunities	Threats	<ul style="list-style-type: none"> • What opportunities are open to you? • What trends could you take advantage of? • How can you turn your strengths into opportunities? 	<ul style="list-style-type: none"> • What threats could harm you? • What is your competition doing? • What threats do your weaknesses expose to you?
Strengths	Weaknesses								
<ul style="list-style-type: none"> • What do you do well? • What unique resources can you draw on? • What do others see as your strengths? 	<ul style="list-style-type: none"> • What could you improve? • Where do you have fewer resources than others? • What are others likely to see as weaknesses? 								
Opportunities	Threats								
<ul style="list-style-type: none"> • What opportunities are open to you? • What trends could you take advantage of? • How can you turn your strengths into opportunities? 	<ul style="list-style-type: none"> • What threats could harm you? • What is your competition doing? • What threats do your weaknesses expose to you? 								
Step 2	<p>Compare the different lists, find connections, contradictions and explore such issues.</p>								
Step 3	<p>Evaluate each element, refine it and complement it.</p>								
Step 4	<p>Develop strategies to leverage strengths, address weaknesses, capitalize on opportunities, and mitigate threats. Create action plans detailing specific steps, resources, and timelines for implementing the strategies. Consider contingency plans to address potential risks or unexpected events related to identified threats. It is important to show that the SWOT analysis was not just a theoretical exercise, but that you have made the most of it.</p>								
Note	<p><i>External sources of information (not only internal) are frequently very valuable. Ask outsiders how they see your business. They will offer a different viewpoint you could use.</i></p>								

We hereby provide you with some additional info on each of the definitions that could assist you in identifying relevant issues in each box

Strengths

Strengths encompass the exceptional qualities and distinctive aspects of your organization that set it apart from competitors. Consider the advantages your organization possesses

over others, such as the motivation or internal cohesion of your staff, access to specific resources and technologies, robust manufacturing processes....

These strengths are fundamental to your organization's functioning. They reflect what makes your organization excel. What aspects do you perform better than anyone else? What core values drive your business? Analyze your Unique Selling Proposition (USP) and incorporate it into the Strengths section, too.

Additionally, adopt a different perspective and evaluate the strengths that your competitors may perceive in your organization. Identify the factors that contribute to your ability to secure sales ahead of them.

Remember, an aspect of your organization can only be considered a strength if it provides a clear advantage. For example, if all competitors offer high-quality products, having a high-quality production process becomes a necessity rather than a strength in your market.

Guiding items:

- Identify the unique qualities, skills, or resources that give your business a competitive advantage.
- Evaluate your brand, customer loyalty, or positive customer reviews.
- Analyze cost advantages, superior product quality, or efficient processes that contribute to your strengths.
- Consider the expertise, experience, or qualifications of your team members as strengths.
- Include any distinctive partnerships, collaborations, or industry certifications that boost your credibility.

Weaknesses

Weaknesses, like strengths, are inherent attributes of your organization. So as to identify weaknesses you should look inside your company, in areas such as people, resources, systems, and processes. Pinpoint areas that require improvement and practices that should be avoided. Seek also feedback from outsiders, other actors in your market, on how they perceive your organization. Are there weaknesses that you may be overlooking? Take the time to analyze why your competitors outperform you and determine the areas where you are lacking improvement.

Our piece of advice for you is to be honest during the SWOT analysis process. It is crucial to gather all necessary information for a valuable and meaningful assessment. Realism is key, and addressing unpleasant truths promptly is essential.

Guiding items:

- Identify areas where your business may be lacking compared to competitors.
- Evaluate any skill gaps or expertise deficiencies within your team.
- Assess potential limitations in resources, such as financial constraints or insufficient equipment.
- Consider any weak points in your product or service offerings.
- Evaluate customer feedback, complaints, or negative reviews to identify areas for improvement.
- Analyze any operational inefficiencies or bottlenecks that may hinder your business.

Opportunities

Opportunities are favorable prospects or openings that require proactive action on your part. They arise from external situations (environment) and require a forward-thinking approach. Opportunities can emerge from market developments, technological advancements, legal changes, or changing industry landscapes. Identifying and capitalizing on opportunities can significantly enhance your organization's competitiveness and position in the market.

Consider short, medium and long-term opportunities. Even small advantages can make a notable difference. Stay informed about interesting market trends, regardless of their scale, as they may have an impact on your company.

Monitor changes in government policies that may be relevant to your field and stay attuned to shifts in social patterns, population profiles, and lifestyles, as they may present intriguing opportunities.

Guiding items:

- Identify emerging market trends, changes in consumer behavior, or new market segments.
- Assess potential growth areas or untapped customer needs within your industry.
- Explore partnerships or collaborations that could lead to business expansion or new opportunities.
- Evaluate technological advancements that can enhance your products, processes, or customer experience.
- Consider changes in government regulations or policies that may open up new markets.
- Identify opportunities arising from social or environmental trends that align with your business.

Threats

Threats encompass external factors that can adversely affect your business, such as supply chain issues, evolving market requirements, or a shortage of skilled personnel. It is crucial to anticipate and take preemptive action against these threats to avoid stalling growth and paying a price.

Evaluate the obstacles you face in product distribution and sales. Notice changes in quality standards or specifications that may require adjustments to maintain a leading position. While evolving technology poses threats, it can also present opportunities.

Continuously monitor competitor activities and assess whether adjustments to your organization's focus are necessary to meet the challenges. However, be cautious about blindly imitating competitors without understanding how it will enhance your position.

Additionally, assess whether your organization is particularly vulnerable to external challenges. For instance, consider factors like a high debt or cash-flow issues that could make you susceptible to even minor market changes. Such threats can have a severe impact on your business, so keeping your eyes wide open is crucial.

Guiding items:

- Identify external factors that could potentially harm your business.
- Evaluate competitive pressures, including new entrants or aggressive competitors.
- Assess market shifts, changing customer preferences, or evolving industry standards.
- Consider potential supply chain disruptions, price fluctuations, or availability of key resources.
- Evaluate economic factors, such as inflation, recession, or currency fluctuations.
- Identify potential legal or regulatory challenges that could impact your business operations.

We would like to complete this SWOT section by providing you with some tips:

1. It is rather frequent that a given aspect could be considered simultaneously as both a Strength and a Weakness. Do not get too worried about that. The relevant point here is to fully understand why it could be a strength and/or a weakness and address them with internal plans or actions.
2. When doing the SWOT analysis our advice is to end up with some prioritization. That is, do not prioritize more than 4-5 weaknesses/strengths/threats/opportunities. Do not handle more than 20 on the total. This will simplify the analysis but also force you to think about each of them in some detail.
3. Try to backup any choice you make with the necessary evidence. That is, why do you feel a given weakness is really a weakness? What evidence can you gather in this respect? Is that an opinion or is there some hard data that backs up your choice? How that weakness is really limiting your company?
4. Rely on multiple sources of information, not just one-sided. Listen to different voices and generate the evidence to get a clearer picture, if needed.
5. The SWOT analysis is usually interconnected to Mission and Vision statements. Indeed, the literature frequently uses the company's mission and vision statements as references for the SWOT analysis: in which ways a given strength or opportunity facilitates you accomplish your mission? Or on the contrary, how a weakness or a threat could obstruct your mission success?
6. Finally, a Confrontation Matrix sometimes accompanies the SWOT analysis. This matrix helps you identify the key strategies you should implement in the light of the SWOT results. The baseline idea is that there is something you could do (mainly internally) in order to:
 - a. **Build on your strengths** to take advantage of the opportunities in the environment and minimize its threats.
 - b. **Minimize/overcome our weaknesses** to take advantage of the opportunities in the environment and minimize its threats.

For more information on the Confrontation Matrix see, for example:

- https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjdu0mYyBAxUkTaQEHSBzAZkQFnoECCMQAQ&url=https%3A%2F%2Fessay.utwente.nl%2F61680%2F1%2FBSc_S_ten_Have.pdf&usg=AOvVaw3ubWjf8WD_YVgUdyLh_SQn&opi=89978449
- <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ad=rja&uact=8&ved=2ahUKEwjdu0mYyBAxUkTaQEHSBzAZkQFnoECDkQAQ&url=https%3A%2F%2Fwww.studeersnel.nl%2Fnl%2Fdocument%2Fde-haagse-hogeschool%2Fbusiness-plan-project%2Fswot-confrontation-matrix%2F7944168&usg=AOvVaw189IdpAq43v4Le4BIVsS4r&opi=89978449>
- https://medium.com/@mowleshaperumal_76804/swot-analysis-for-your-business-plan-8a4633c17580

[PROPOSED ACTIVITY – UNIT 2.5 SWOT ANALYSIS]

The purpose of this activity is that participants develop a first version of their SWOT analysis.

- Form groups of 3-4 people. One member of the group summarizes his/her company (e.g. business idea and business model). He/She adopts the role of the CEO (director/head of the company) and the rest of the group adopts the role of team members. Together as a team, they follow the steps of the SWOT analysis, they can ask questions to the CEO for clarifications.
- Repeat the process with the rest of the participants. Remember to encourage participants to ask opinions from peers, to be open-minded and flexible when receiving their feedback, and to offer their points of view to their classmates.
- Share with the whole class the main issues, information gaps or obstacles that have arisen during the activity.

IMPORTANT: Please, note that the role of the trainer is to walk around the class checking students' progress, listening to their reasoning and providing instant feedback. Moreover, remember that it is extremely relevant that the participants that compose the groups vary each session. This way, participants in each session will work with different mates, fostering their potential entrepreneur's network and developing social skills (e.g. negotiate, face discrepancies or disagreements, etc.).

5.b. Executive summary

An Executive Summary is usually the first section of your BP, but it is the last piece to be written. This is the crucial part of your BP since it may be the only part someone may read if they are pressed by time. Its purpose is to provide an overview of your business, ensuring that after going through it, the reader comprehends the essence of your business and develops an interest to read further. This section should encapsulate the key elements of your BP and should be concise, not to exceed two pages.

There are numerous ways of structuring and organizing your Executive Summary. For example, in most of the cases, it is mainly a summary of the different sections in the BP. A general structure is included below:

- Business summary (Mainly it is a summary of Unit 2.1.)
 - Need to be covered
 - Solution, Products/Services and Value Proposition
 - Company Description and The Team
 - Main Competitors
- Summary of other main sections. For example:
 - Marketing plan
 - Business operations
 - Financial plan
 - SWOT
- Objectives and Strategy
- Current Situation

Business summary

In the following sections, do not forget to summarize your market research findings, including key market trends, target audience demographics, and an assessment of your competition.

Need to be covered

Explain the current existing market need that you are covering and describe the target audience. Identify and summarize the key needs and pain points of your target market.

Solution, Products/Services and value proposition

Explain your business idea: how are you covering the need? What are you going to sell? Where? To Who?

Summarizing your core products or services in this section helps the reader understand the value your business provides. Highlight the unique features or benefits that differentiate your offerings from competitors.

Company Description and The Team

Provide a concise overview of your company, including its name, location, and a brief description of what your company does. Set the stage for the reader to understand the nature of your business.

Introducing the key members of your team and highlighting their relevant experience and expertise can instill confidence in potential investors or stakeholders. It demonstrates that you have a capable team to execute your business plan.

Main Competitors

Identifying your main competitors demonstrates that you have conducted market research and are aware of the competitive landscape. Briefly mention the key competitors and how your business differentiates itself from them.

Summary of the main sections

- Marketing Plan

Summarize your marketing and sales approach: target customer acquisition strategies, unique selling propositions, branding, pricing strategies, distribution channels and promotional activities. Emphasize how your marketing efforts will help you reach and attract customers, create brand awareness, and drive sales.

This section demonstrates your understanding of the market landscape, your target customers, and how you plan to reach and engage them.

- Business Operations

Explain your business model and revenue streams. Outline how you plan to generate income and achieve profitability: provide an overview of how your business will be structured and managed on a day-to-day basis. Mention key aspects such as production processes, supply chain management, distribution channels, and any operational milestones or competitive advantages.

This section helps investors and stakeholders understand how your business will function efficiently and deliver its products or services.

- Financial plan

Outline the financial aspects of your business, including revenue projections, expense forecasts, cash flow analysis, profitability assessments and funding requirements.

This section demonstrates the financial viability and sustainability of your business.

- SWOT

Including a summary of your SWOT analysis in the executive summary gives readers a glimpse into your strategic thinking and awareness of the market.

Objectives and Strategy

Briefly outline your business objectives and the strategies you will employ to achieve them. This section provides a high-level view of your plans and gives readers an understanding of your business's focus and direction.

List three to five goals that you want to achieve through your business. You should divide your objectives into short-term (one year), mid-term (three years) and long-term (five+ years).

Current Situation

This section provides a snapshot of your business's current status and any notable achievements or milestones. It helps investors and stakeholders gauge the progress and potential of your business.

[PROPOSED ACTIVITY – UNIT 2.5 EXECUTIVE SUMMARY]

The purpose of this activity is that participants plan what will they write in their executive summary.

- Ask participants to individually review the executive summary sections. For each section, go through your business plan and determine the most important information that should be included in the executive summary. It is not necessary to write the executive summary now but to outline the contents that will be written. If desired, the participant can already start selecting or extracting the information from their business plan and writing it in their executive summary.

IMPORTANT: Before participants leave, the trainer should approve or validate the outline of each participant and give green light to start developing the sections before the one-to-one mentoring session.

IMPORTANT: Please, note that the role of the trainer is to walk around the class checking students' progress, listening to their reasoning and providing instant feedback.

5.c. Personal project assignment

Proposed task before the project review session with the student:

1. The objective of this mentoring session will be that participants can finish writing the sections of their business plan and received concrete feedback adapted to their project. In this case, the SWOT analysis and the executive summary sections.

2. Moreover, keep monitoring the process of their personal project (e.g. design thinking process).

Before the session, participants will need to write the SWOT analysis and the Executive Summary sections (reviewed in class) in their BP templates.

Project review sessions:

1. The task is reviewed and the trainer gives feedback. They talk about the information written and any missing information.
2. Next, the participant updates the trainer regarding his/her project and they talk about the next steps of the project.

[ASSESSMENT TASK 6 – SWOT ANALYSIS AND EXECUTIVE SUMMARY]:

Submit the updated BP template.

The following grading system can be used to grade the SWOT Analysis section.

0. The section is missing (not submitted).
1. The section has been submitted, but some steps are missing.
2. The section has been finished and all steps have been completed. However, some information is missing, or the section is not as clear as it should be (structure, clarity, understandable, proper vocabulary, etc.).
3. The section has been finished and all steps have been completed. The section is easy to read and understand, it states the information clearly and appropriately.

The following grading system can be used to grade the Executive summary section.

0. The section is missing (not submitted).
1. The section has been submitted, but some parts are missing.
2. The section has been finished and there are no missing parts. Nevertheless:
 - Several sections miss some important information that should be stated in an executive summary, or they are not as clear as they should be (structure, clarity, understandable, proper vocabulary, etc.).
 - OR
 - The executive summary does not provide a clear picture about the company and its business model.
3. The section has been finished and all parts have been completed. The executive summary is generally easy to read and understand. However, some specific relevant information is missing, or some parts could be clearer.
4. The section has been finished and all parts have been completed. The executive summary is easy to read and understand; it states all the information clearly and appropriately.

Keep in mind that written feedback is way more relevant and useful for participants.

5.d. Support materials and references

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Unit 3: Communicating your business plan.

Objectives Unit 3.

The objective of this Unit 3 is to sets the basis for an effective communication of the business plan (pitching) so as to gain access to investors and support to the business idea. Moreover, this unit assists participants in the preparation of the pitch and in performing the formal presentation.

Contents Unit 3.

This Unit 3 covers the following elements:

1. Purpose of pitching
2. Personal branding
3. Pitching your business idea and business plan
 - a. Prepare the pitch
 - b. Structure of the pitch 3-15 minutes
 - c. Elevator pitch (30 seconds)
4. Investors' advice: "How to pitch, and how not to pitch".
5. Personal project assignment
6. Support materials and references

A guest lecturer can teach the entire Unit, or some sections of the unit. It is important that the guest lecturer sticks to the session contents and structure (see PROPOSED ACTIVITY – UNIT 3 PITCHING ADVICE).

1. Purpose of pitching

A pitch is a concise and persuasive presentation of an idea, product, service, or project aimed at convincing others to support, invest in, or take action on the proposal. It is typically delivered in a brief and effective manner so as to capture the attention of the audience. Pitches are commonly used in various settings, such as business meetings (potential partners), startups seeking funding (potential investors) or sales presentations (potential customers).

The goal of a pitch is to engage the audience, generate interest, and clearly convey the value and benefits of the idea being presented. A well-crafted pitch should address the needs and interests of the listeners while demonstrating the potential for success or positive outcomes. Pitches may vary in length, depending on the context and the audience, but regardless of the format, they should be engaging, compelling, and memorable. This unit will help you address this and make of your pitch a success.

2. Personal branding

When pitching you will be communicating a personal image and investors, potential partners and customers will consciously or unconsciously draw impressions and interpretations of who you are. Zbierowska (2021) describes "What Investors Look for in Entrepreneurs", and be sure they are not only considering business aspects.

Entrepreneur's personal qualities play a big role. Hence, it is not only important to focus on the contents of your pitch, but also keep in mind that you are also presenting yourself.

Confidence and Authenticity:

A good piece of advice is to infuse confidence in your pitch while remaining authentic (review Course 1 Unit 5 for effective presentation skills), showing you believe in the value of your idea. Ensure that your pitch aligns with your personal brand: your pitch should reflect your values, strengths, and expertise, reinforcing the image you want to project to the audience in front of you. Appeal to the emotions of your audience by showing passion and enthusiasm for your idea. Demonstrating genuine excitement can make your pitch more compelling.

Highlight Your Expertise:

Emphasize your expertise and accomplishments that are relevant to the pitch. Showcase how your skills and knowledge make you well suited to complete the proposed idea successfully.

However, knowledge and experience it is not the only thing they (the audience) will look at. Investors want to see that you are passionate about your business, and also that you have the dedication, drive and commitment to see your vision turn into a reality. You can mention (refer to) past personal experiences or achievements that demonstrate you have the discipline to pursue your goals. Use storytelling techniques to share your personal journey and experiences. Humanizing your pitch by sharing relevant personal anecdotes can make your presentation more engaging and memorable.

Overall objective: to demonstrate that you have the knowledge, passion, confidence and discipline to make it happen.

3. Pitching your business idea and business plan

In this section, a description of how to prepare and perform an effective pitch will be offered. The focus will be set on an already agreed pitching opportunity such as a seeking funding presentation, a business meeting, or a sales presentation. It is however important to understand pitching as an everyday communication skill to convey an idea persuasively. This way, you can always be ready to shortly present your business idea and company effectively.

3.a. Prepare the pitch

Know your audience.

Before you start creating your pitch, make sure you do some research on your audience. Who are they? Which are their interests? What exactly are they looking for? Understanding your target audience will help you tailor your pitch to be relevant and appealing to them. Being aware of your audience interests will help you emphasize how your business aligns with such interests. In the same way, if you know your target audience needs, you could better highlight the solutions that your business could offer (how it may address those needs). Finally, you want to adapt your language to the target audience and consider their demographic characteristics, too. In brief, knowing whom are you going to talk to will allow you to draft your message much better. No all audiences seeks the same, hence the message needs to be adapted/adaptable.

Define the objective.

Have a clear goal for your pitch. Are you seeking to attract investors, acquire new customers, or find strategic partners? Defining your purpose will help you focus your message more effectively.

For instance, when attracting investors you might want to highlight the growth potential, scalability and long-term viability of your business, by emphasizing your revenue model, profit margins, return on investment for potential investors, financial projections, etc. Despite the above, which are indeed valid points, please remember that focusing on the unique characteristics of your product or service and how it addresses a significant market gap is always a priority.

When reaching out for new customers you may want to focus on demonstrating how your product or service directly solves their specific problem. You could showcase testimonials from satisfied customers to build trust and credibility or offer special deals or discounts exclusive to the audience to incentivize immediate action. Using persuasive language and visuals to appeal to the emotions and desires of your target customers can be key.

Moreover, when trying to find strategic partners, you may want to present a clear and well-defined proposal for collaboration, outlining the mutual benefits of the partnership. For example, you could showcase how your combined strengths can create a competitive advantage in the market. In this context, you should be prepared to discuss the specific resources and expertise you bring to the partnership. In Course 5 you will find additional info on how to prepare and face negotiations.

3.b. Structure of the pitch 3-15 minutes

A pitch does not have a specific and agreed duration, it can last 30 seconds (elevator pitch), 3 minutes or 15 minutes. For pitches that last from 3-15 minutes, the following structure is a typical sequence used when pitching. If pitches below 3 minutes, you are advised to focus on the *italics sentences* below that outline the fundamental aspects. As the length of your pitch increases, more convincing data could be included.

i. Introduction

Begin with a brief personal introduction and an overview of your business idea.

ii. Problem and market potential

Clearly describe the problem or need that your product or service addresses in the market.

Additionally, present an assessment of the problem's scope, directly related to the potential market size for your product or service.

To present the problem, you can:

- Use pictures to depict the problem you are solving.
- Answer the question Why is it a big problem?
- Answer the question How many individuals are affected by and experiencing the problem you aim to solve? Nevertheless, avoid technical talk, and a lot of statistics.
- Quantify the problem with some data points (e.g. How much of water is wasted, how many car accidents are there), etc. However, try to avoid technical talk, and too many statistics.

- Try to build a story around it.

Storytelling:

Regarding the last point (storytelling), stories and things that have an emotional component are more easily remembered. To have a greater impact you can tell a story regarding real customer challenges, this way, you will engage your audience and make them empathize.

Once you have showed the problem in your story, complete it with the solution (you could tell this part of the story in the next section, or do it all together as a way to present the next section). The narrative should be convincing: it puts forward a solution, a remedy for the identified problem that is valuable enough to purchase and investment.

People will remember the feeling your story provoked in them. Stories give meaning to ideas that are sometimes hard to imagine.

iii. Solution and value proposition

Present your solution in a clear and concise manner, highlighting its benefits and advantages. Explain what makes your idea unique and why your product or service is better than existing alternatives.

Demonstrate the connection between the problem and the solution you propose. Explain your approach to resolving the problem and detail the specific solution you are offering. Include examples or use cases to illustrate its effectiveness. Showcase prototype performance results: use pictures of user testing of your prototype; expose their opinions and feedback.

In this section you should focus on answering:

- What makes your solution competitive enough in the market?
- Why should people opt for your solution over the other available options?

Clearly state your value proposition and your unique selling proposition/point. Explain in detail what makes your idea unique and valuable to customers. Identify unique features of your innovation. Highlight the tangible and intangible benefits your product or service offers and how it meets the needs of your target market.

In this section you can show and explain already existing solutions and compare them with yours, highlighting your solution's advantages and innovation.

iv. Target market

Define your target market and present/introduce the size and potential of the market.

v. Business model

Describe how would you generate revenue and what is your strategy for getting profitability.

vi. Team

If you have a team, briefly introduce key members and their relevant skills.

vii. Financial Plan

Introduce the financial aspects of your business, including revenue projections, cost structure, and funding requirements. Highlight the potential return on investment for investors and the overall financial sustainability of your venture.

Revenue Projections: Highlighting your revenue projections is important because it demonstrates the potential financial success of your venture. Investors want to see the revenue-generating potential of your business and how it can be profitable in the long run.

Financial Sustainability: Discuss the financial sustainability of your venture, showcasing how your business model is designed to ensure long-term success. Investors are interested in ventures that can maintain profitability and grow in the future.

Potential Return on Investment (ROI): It is a financial metric used to evaluate the profitability and efficiency of an investment relative to its cost. ROI measures the return (gain or loss) generated from an investment relative to the initial cost of the investment. It is expressed as a percentage:

$$\text{ROI for Investors} = \frac{\text{Total Return to Investors}}{\text{Initial Investment Amount}} \times 100$$

Example:

$$\text{ROI} = \frac{2,200\text{€}}{10,000\text{€}} \times 100 = 22\%$$

Address the potential ROI for investors. Emphasize the profits (or other benefits) investors can expect from investing in your business, including the expected financial gains and the timeframe for achieving them.

Funding Requirements: Clearly state the funding requirements for your venture. Outline how much capital you need and how you plan to use the funds to achieve specific milestones.

Cost Structure: You should briefly refer to the key expenses involved in running your business.

viii. Call to action

What do you want your audience to do after hearing your pitch?

Conclude with a more comprehensive and clear call to action. If seeking investors, specify the terms and conditions of the investment. If targeting customers or partners, provide information on how to get in touch or participate in the project.

An example is proposed:

Introduction

"Hello, everyone, and welcome. My name is Mark, and I'm excited to introduce UrbanGarden, a company dedicated to transforming our urban landscapes into flourishing centers of sustainable food production."

Problem

"We all know that food insecurity is a growing concern in urban areas. Many neighborhoods lack access to fresh and nutritious produce, leading to health disparities and limited food choices for residents."

Storytelling:

"Let me introduce you to Maria, a hardworking single mother who lives in a food desert – an area with limited access to fresh produce. Despite her best efforts, Maria struggled to provide her children with a balanced diet, as the nearest grocery store was miles away."

Solution

"At UrbanGarden, we saw an opportunity to change this narrative. That's why we developed 'Greenscape,' a vertical farming solution that brings fresh, locally grown produce right into urban communities."

Connection between Problem and Solution:

"Greenscape is an innovative vertical farming system that utilizes unused urban spaces, such as rooftops and walls, to grow a wide variety of vegetables and herbs. By placing these farms directly within neighborhoods, residents like Maria can access affordable, fresh produce just steps away from their homes."

Value Proposition/USP

"What sets Greenscape apart is its modular and scalable design, allowing us to tailor each farm to the unique needs of the community it serves. Our farms are fully automated, utilizing cutting-edge technology to optimize water usage and energy efficiency, making them a sustainable and environmentally friendly solution."

Examples and Prototypes

"We piloted Greenscape in a low-income neighborhood last year, and the impact was truly remarkable. Not only did the residents gain easy access to fresh produce, but they also experienced a sense of pride and ownership in nurturing their local farm. Encouraged by this success, we are eager to expand Greenscape to more communities in need."

Target Market

"Our primary target market includes underserved urban neighborhoods, food co-ops, restaurants and schools looking to incorporate fresh produce into their menus and educational programs."

Business Model

"We offer Greenscape through a partnership model with community organizations and local businesses. Together, we create a sustainable urban farming ecosystem that benefits all stakeholders. Our goal is to make Greenscape financially accessible to communities, enabling them to become self-sufficient in their food supply."

Team

"Allow me to introduce our passionate team, comprised of experts in agriculture, sustainability, and community development:

Anna - Chief Agriculturist: With a background in agronomy and urban farming, Anna has a deep understanding of sustainable agriculture practices. Her expertise ensures the success and efficiency of our Greenscape farms.

David - Director of Technology: David's proficiency in cutting-edge technology drives the automation and optimization of our farming systems. His work on smart irrigation and energy management enhances the eco-friendliness of our solution.

Emily - Community Outreach Specialist: Emily's commitment to community development and social impact drives our outreach efforts. Her work with local leaders ensures that Greenscape reaches the neighborhoods that need it most.

Michael - Business Development Manager: Michael's experience in sustainable business models and partnerships fuels our growth and expansion plans. His expertise in forging strategic alliances brings Greenscape to new markets.

Together, we are committed to realizing our vision of creating food-secure, thriving urban environments."

Financial Plan

"Let's take a moment to explore the financial plan that supports UrbanGarden's growth and impact."

Revenue Projections

"Our revenue model is based on a subscription-based system for partner organizations, including setup fees, monthly service charges, and ongoing maintenance fees for each Greenscape installation. In the first year of operation, we anticipate generating 200,000€ in revenue, with a conservative annual growth rate of 30% in subsequent years."

Cost Structure

"To ensure a viable business model and maintain profitability, we have carefully analyzed our cost structure. Key cost components include technology development, operational expenses, labor, marketing, and research. As we scale, we will leverage economies of scale to optimize operational efficiency."

"To ensure financial viability and manage expenses, our primary cost components for the first year include (SLIDE):

- Technology Development and Prototyping: 50,000€
- Operational Expenses: 50,000€
- Labor (including team salaries): 70,000€
- Marketing: 15,000€
- Initial Research: 10,000€
- Total Cost: 195,000€

Funding Requirements

"To accelerate our growth and establish Greenscape in at least five major urban centers within the next two years, we are seeking 150,000€ in seed funding. This capital will be primarily allocated to research and development, market expansion, marketing initiatives, and building strategic partnerships."

"We are open to exploring various funding options, including equity financing, grants, and strategic investments from impact-focused investors and organizations aligned with our mission."

Financial Sustainability

"Ensuring the long-term financial sustainability of UrbanGarden is at the core of our business strategy. As a socially conscious company, we are committed to generating both financial and social returns."

"Our conservative financial projections indicate a break-even point by the end of year three. We prioritize fiscal responsibility and sustainability to ensure a positive impact on urban communities and our investors."

Call to Action

"We invite you to join UrbanGarden on this transformative journey. Whether you're an investor, a community leader, or a supporter of sustainable food systems, let's work together to cultivate a greener, healthier future for our cities."

Conclusion

"Thank you for your time and attention. We believe we can redefine the way we approach food production in urban areas. Now, I'm eager to hear your thoughts and answer any questions you may have."

3.c. Elevator pitch (30 seconds)

The Elevator pitch receives the name as its duration is compared to the duration of an elevator ride, so typically lasts 30-60 seconds to 2 minutes.

The objective of the elevator pitch is to tell people all about your product in a short period of time, and get them interested in your idea.

The elevator pitch should focus on:

- What does your company or innovation/product/service do?
- Who are your customers?
- Why is your innovation better than competitors?
 - Highlight the unique selling proposition (USP)
- How will you deliver your innovation to your customers?

4. Investors advice: How to pitch and how not to pitch.

Bonnie (2021) presented the advice from five investors regarding what to do and what not to do when pitching. Some suggestions include:

Things you should do:

- I. Emphasize your unique qualifications and expertise that give you an advantage over others in executing your business idea. Highlight what differentiates you from your competitors.
- II. Present your financial plan, explaining your main revenue streams. Demonstrate why the identified problem is profitable, how your solution is viable, and your strategy for generating revenues.
- III. Analyze market trends driving your product. Investors appreciate staying informed, so use this opportunity to teach them something new and make a positive impression.
- IV. Prepare a detailed handout about your business, but remember that your presentation should not solely rely on it. The handout should be able to stand alone and allow investors to explore your ideas further.

Things you should not do:

- i. Read your speech or focus too much on the screen. You want to connect with investors through eye contact and body language while following effective presentation practices
- ii. Be vague about how the investment will be utilized. You should clearly state what the funds will be raised for and why this timing is essential.
- iii. Conclude with a generic "Q&A" slide. It is rather more appealing to end with a vital slide that will remain in investors' minds, leaving a lasting impact after the meeting.
- iv. Avoid discussing problematic or risky areas of your business. On the contrary, acknowledge and address potential concerns to build confidence and trust rather than leaving doubts unaddressed.

A final remark:

Please remember that pitching is a unique opportunity to gain feedback, too. Embrace it!

[PROPOSED ACTIVITY – UNIT 3 PITCHING ADVICE]

This activity aims at allowing participants to learn what things should be done in a pitch from a real investor's experience.

- b. Invite a guest lecturer (investor, business angel, venture capital, etc.) to explain to participants which aspects he/she particularly looks at when pitching. The guest lecturer can be invited to explain unit's contents. Make sure they:
 1. Explain what they place particular emphasis as entrepreneurs in their pitching presentations.
 2. Answer students' questions and provide insights and advice regarding what they should do.

[PROPOSED ACTIVITY – UNIT 3 PITCHING PRESENTATIONS]

The objective of this activity is to allow participants to prepare a three-minutes pitch. This activity will require an extra session, but it is highly recommended.

- Once the unit contents have been taught, ask participants to prepare a pitch following the given criteria for the next session. In the next session, each participant will pitch, and the rest of the participants will assess the pitch using the following template:

Assessment Criteria: contents of th pitch	Yes/No
The speaker introduces himself/herself	
The speaker clearly describes the problem or need that the product/service addresses.	
The problem description is supported by any of the following: pictures, number of individuals affected, datapoints or storytelling among other methods.	
The speaker presents the solution to the problem.	

The information on the slides helps to understand the explanations and does not contain unnecessary information	
The speaker explains the value proposition or unique selling point of the product or service (for example, highlighting its benefits and advantages; explaining its uniqueness; describing why it is an innovation; emphasizing its features, etc.).	
Examples , use cases, prototypes, sketches, video demonstrations are used to support the solution explanation.	
The connection between the problem and the solution is clear.	
Clarity in how the product/service is sold, and how the revenue is generated (business model).	
Clarity in who are the members of the team and their tasks (even if there is only one member).	
The main financial aspects of the business are highlighted. Mark “yes” if at least 2 elements of the following are explained: <ul style="list-style-type: none"> – Cost structure – Revenue projections – Financial sustainability of your venture (Showcase how your business model is designed to ensure long-term success) – Funding requirements – Potential return on investment for investors (Total return that investors could receive) 	
The speaker concludes with a call to action : He/she gives information to the audience on how to contact, collaborate or engage with their project.	
Grade (Total number of “Yes”):	0/12
Comments and Feedback: suggest improvements and changes.	

- **IMPORTANT:** Distribute this template in advance to the pitching session. This way, evaluation is used as a learning tool and those presenting could also base their presentations on the set of evaluation criteria.
- **IMPORTANT:** The one-to-one mentoring session will take place in between to help them prepare the pitch. Refer to participants to Course 1 “Entrepreneurship and soft-skills” Unit 5 “Effective Communication” for guidelines and templates on verbal and non-verbal presentation skills. Ask them to recover and look up the feedback they received in their presentations of Course 1 and think how they will apply the proposed improvements.
- In the pitching session, each student will present his/her business and the rest of participants (as well as the trainer and the guest lecturer if possible) will assess the presentation using the template. Participants should write down and record the grade they give to each speaker.
- Feedback after the presentation needs to be provided by tutor, guest lecturer and peers.
- Participants write down the main conclusion from the feedback received and establish an action plan to improve their future presentations.
- **IMPORTANT:** it is necessary that all students pitch. A three minutes timer needs to be set so no one takes time out from his/her peers.

NOTE: If agreed, this activity can be complemented with an assessment of the communication skills of the student (not only the contents of this/her pitch). A plausible way to this is to ask half of the class to evaluate the contents of the pitch using the template displayed above and ask the other half to use the template below to assess communication skills:

Assessment criteria: verbal communication	Yes/No
The speaker catches the audience attention (e.g. by asking questions, explaining a story or using sentences like “imagine/think about”)	
The speech is clear and easy to understand	
The duration does not exceed the time limit	
The speech feels natural (not memorized or read)	
The information on the slides helps the explanations and is necessary	
Assessment criteria: non-verbal communication	Yes/No
The speaker faces the audience	
The speaker walks in a way that distracts the audience	
The speaker moves his/her feet nervously	
Hands move according to what is being explained (natural gestures)	
The facial expression accompanies the message, and the speaker smiles when possible	
The speaker looks to all listeners	
The speaker is as close to the audience as possible with no relevant physical elements standing in between	
Grade (Total number of “Yes”):	0/12
Comments and Feedback: suggest improvements and changes.	

Students could swap roles after each presentation.

5. Personal project assignment

Proposed task before the project review session with the student:

1. The objective of this mentoring session will be that participants can prepare their pitch for the next session and solve their doubts (see PROPOSED ACTIVITY – UNIT 3 PITCHING PRESENTATIONS).

Before the session, participants will need to prepare the slides for the pitch, and outline the contents that will be explained. If possible, it would be ideal that the participant has already practiced several times before the session. Ideally, the participant could pitch in the one-to-one mentoring session to provide feedback and improvements for the session in class.

Project review sessions:

1. The participant shows what they have prepared to the trainer and the trainer gives feedback. Ideally, they could pitch in the mentoring session. They talk about the information presented and any missing information. Moreover, the trainer also provides feedback regarding communication verbal and non-verbal skills

[ASSESSMENT TASK 7 – PITCHING PRESENTATIONS]:

In this case, the student should not submit any assignment. The trainer should add up the grades received by each student. For example:

Trainer's Grade (70%) - if the invited lecturer also participates, this percentage can be divided into two (35% trainer, 35% invited lecturer)

+

Average of classmates' grades (30%)

=

-/12

Example Formula:

$$\text{Task 7 grade} = \text{Trainer's grade} \times 0.7 + \text{Average of classmates' grades} \times 0.3$$

Keep in mind that written feedback is way more relevant and useful for participants.

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Course#4 Assessment and feedback

The evaluation of the course is based on the sum of the assessment tasks done throughout each course's units.

YOPEVA ENTREPRENEUR: Course#4: Business Plan template

Authors: Andreu Albert (UB), Pedro Gallo (UB)
Version V.3.
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Executive summary (last session)

Remember to complement the following sections with your market research findings.

Need to Cover

Explain the current existing market need that you are covering and describe the target audience. Identify and summarize the key needs and pain points of your target market.

Solution, Products/Services and Value Proposition

Present de solution: how are you covering the need? what you are going to sell?

Present the core products or services and highlight the unique features or benefits that differentiate your offerings from competitors.

Company Description and The Team

Provide an overview of your company: name, location, and brief description of what it does.

Introduce the members of your team and highlight their experience and expertise.

Main Competitors

Mention your main competitors and how your business differentiates from them.

Marketing Plan

Summarize your marketing and sales approach: target customer acquisition, unique selling propositions, branding, pricing strategies, distribution channels, and/or promotional activities.

Business Operations

Explain your business model and revenue streams (production processes, supply chain management, distribution channels, etc.)

Financial plan

Outline the financial aspects of your business, including revenue projections, expense forecasts, cash flow analysis, profitability assessments and funding requirements.

SWOT

Include a summary of your SWOT analysis.

Objectives and Strategy

Briefly outline your business objectives and the strategies you will employ to achieve them.

Current Situation

Provides a snapshot of your business's current status: mention achievements or milestones.

Business and products

Step 1: What are you going to sell: a product, a service or both?

Step 2: Describe the core product or service that you will be selling.

If your product is complex, it is advisable to include a visual representation, such as a picture.

Step 3: Justify the product itself, its features and its design based on your market environment research.

Step 4: Outline the various types of products or services you will offer.

For example, if you were selling t-shirts, you might mention specific colors and sizes you will stock. If you were a plumber, you might have separate services for commercial properties and domestic households.

Step 5: If you do not intend to sell all your products or services at the start of your business, explain the reason behind this decision and specify when you plan to begin offering them.

It could be due to market research conducted on a sample of products or services or a desire to wait until you have a stable income before expanding your range of offerings.

Customers segments

Step 1: Clarify whether your customers are individuals, businesses, or both. Your customer base may encompass both individuals and businesses.

Step 2: Describe your typical customer (demographics and psychographics) and their needs (identify multiple segments if necessary). For instance, if your customers are individuals, provide a general idea of their age range and income level. If your customers are businesses, specify the sector they operate in and their company size.

Step 3: Elaborate on the factors that prompt your customers to purchase your product or service. For instance, do they buy when they encounter a plumbing issue or when they receive a substantial salary bonus?

Step 4: Describe their needs and elaborate on the factors that influence your customers' choice of which business to buy from. For example, consider factors such as experience, proximity, or perceived trendiness of a particular product.

Step 5: Share information about any previous sales of your products or services.

Include details on the number of sales made and the revenue generated. If possible, provide a list of customer and sales details.

Step 6: Discuss the number of customers who are eagerly waiting to make a purchase from your business. Encourage potential customers to write a "letter of intent" expressing their interest in buying your product or service and include copies of these letters in your business plan.

Competition

Step 1. Identify your main competitors, try to determine at least for five of them.

Step 2: Gather relevant details about each of your competitors:

- Who they are.
- Their location.
- The products or services they offer.
- The pricing of their offerings.
- The size of their company.
- Their primary strengths
- Their primary weaknesses.
- You added value (Step 3).

Step 3. Describe your USP and state, for each of your competitors, the reason why customers would buy your products or service instead of theirs.

Marketing plan

Remember to complement the following sections with your market research findings.

Product

Step 1. Shortly explain how your products or service solves a specific problem or satisfies consumer's needs or wants.

Step 2. Justify such adequacy with your market research.

Price

Step 1. Define the price of the product.

Step 2. Justify it in terms of:

- Perceived value and customer affordability: explain how the price aligns with your target audience.
- Competitiveness.
- Your pricing objectives.
- Profit and costs.

Place (Distribution)

Step 1. Describe the distribution channels that will be used.

Step 2. Justify its election based on the Market environment: customers characteristics and competitiveness.

Step 3. Explain the payment systems/options you have chosen and how they align with your target market's preferences and convenience.

Promotion

Step 1. Describe your brand image (logo, colours, design, etc.)

Step 2. Justify how the brand image aligns with the target audience and the market environment (e.g. competition: other brands, products, etc.).

Step 3. Explain:

- Which promotional channels you have chosen.

- **Justify your election (Cost, target audience, competition, etc.) and explain what the cost is.** In this case the cost refers to the price of using the channels, not a campaign or an advert itself (Step 4).

Step 4. Describe the method: type, design, amount, planification, cost, etc. For example:

- Print Advert: explain the size, colour, design, how many, for how long, cost, etc.
- Business card or leaflet: explain the materials, information on them, who will do the design, how many, who will print it, how will them be distributed, cost, etc..
- Direct marketing: explain the method, cost, how you will find the contact details of potential customers, etc.
- Social media (see Prince's trust guide):
 1. What you want to achieve from social networking and how you will engage with your customers, for example, will you create a blog to give customers the inside view on your business or get customers to offer feedback on product design?
 2. Which networking sites are preferred by your target market and for what purpose.
 3. How your business activity on social networking sites is kept separate from your personal activity.
 4. How your social networking ties in with your website or other promotional materials and events objective, site, how your business activity on social is kept separate from your personal activity,
- Tradeshows: describe the events, costs, the relevance of attending, your plan, etc.
- Website: explain the design, functionalities, who will do the design, building and maintenance, its cost, etc.

Step 5. Justify the method election (consider costs, target audience, effectiveness, competition, etc.).

Step 6. Include any example, sketch, prototypes, promotional videos, etc.

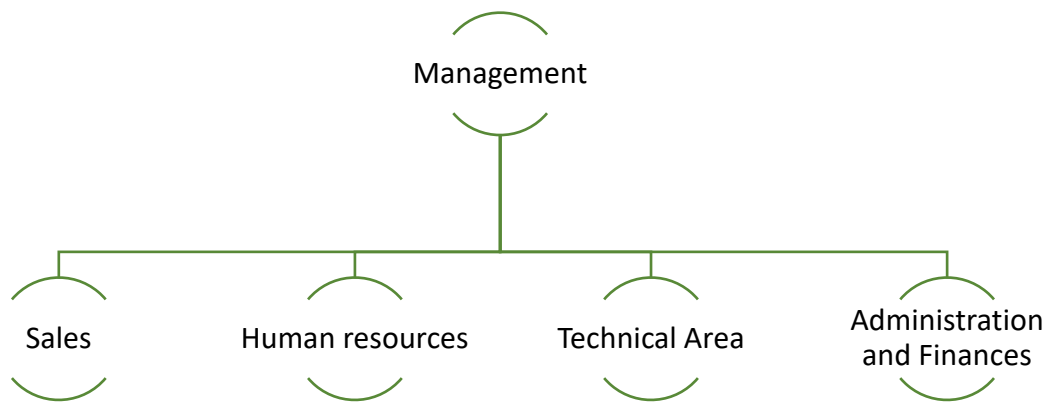
Management and personnel structure

Organizational structure (Analysis)

Step 1. Describe the organizational structure of the company.

- In case you are a team:
 - Explain who will cover each function (see the chart above) and the tasks that will perform.
 - Describe how the internal communication works (hierarchy, meetings, etc.)
 - Describe how the decision-making process works.
 - Stablish each employee compensation.
- In case you are the only employee:
 - Explicit that you are the sole full-time employee of the company.
 - Determine the functions an task your will cover (see the chart above) and specify if you are hiring contractors as needed to support your workflow and fill any gap in your functions or skill set.
 - Stablish your compensation.

Step 2. Create an organizational chart depicting the information from Step 1. Assign each function or responsibility to each member of the team. You can also specify contractors, especially if you are the only employee.



Forecast

Step 1. Describe the possible future organizational structure. Explain new positions that will be needed and other changes are expected to happen.

Execution

Step 1. Describe how candidates will be recruited. Determine how the selection process work: job posting and distribution tools, process' methods and stages (e.g. interviews) and decision criteria.

Control

Step 1. For each of the positions stated in the Analysis section describe how the performance will be evaluated. Explain any metrics, procedures or assessments that will be carried out to ensure the well-functioning of the company.

Step 2. Describe the internal feedback process. Explain how employees or managers will communicate to superiors and vice versa. Moreover, explain how feedback from employees or managers will be gathered and considered.

Business operations

Suppliers

Step 1. List all materials and elements you need to obtain from suppliers.

Step 2. For each element, describe final chosen supplier's conditions and costs.

Step 3. Justify the election of the supplier you will work with. Why did you choose to work with this supplier and not with the others you contacted?

Production Plan

1. Production process

Step 1. Describe what are the inputs and how is the transformation process to finally produce the product or deliver the service. It is necessary to explain in detail how the input materials are modified, including who performs the modifications, the methods used, the instruments utilized, and other relevant details.

2. Unitary cost

Step 1: List all your variable costs and their prices.

Step 2: List all your fixed costs and their prices.

Step 3: Calculate the price that each cost represents for a unit.

Step 4: Aggregate all the costs per unit.

Facilities

Step 1: Identify the facilities required for your business.

Step 2: Describe the characteristics of each chosen facility and justify its adequacy. Explain the actual facility features, size, location, and other relevant aspects. Evaluate the importance of these aspects for your business. You may also include details about the selection process.

Step 3: Determine whether you plan to rent, purchase, or already own the facilities. Describe the price of the facility, the budget, estimated costs, etc.

Step 4: Explain the maintenance of the facilities, as well as any compliance and regulatory requirements.

Equipment

Step 1: Identify the specific types of equipment needed for your business operations. If necessary, create a list with all the elements.

Step 2: Describe the functionality and purpose of each piece of equipment.

Step 3: Determine whether you plan to acquire, lease, or use shared equipment. Outline your equipment procurement plan, including estimated costs and suppliers.

Step 4: Explain the maintenance or repair requirements for the equipment, as well as any regulatory or compliance considerations.

Step 5: Consider future equipment needs and expansion plans as your business grows.

Shipping and Fulfillment

Step 1: Identify the shipping and fulfillment methods you plan to use and justify its adequacy in terms of logistics. In this section the focus is set on the product logistical and distribution requirements, so the justification should be based on the business operations. Remember that in the Marketing Plan section “Place (distribution)” these methods were explained and justified in terms of market environment.

Step 2: Describe the logistics partners or transportation companies you will work with. Outline their conditions, costs, terms, etc. Explain any other cost considerations associated with shipping and fulfillment.

Step 3: Provide an estimated timeline for order processing and delivery. Explain how you will meet delivery deadlines and requirements.

Step 4: Discuss any systems for tracking shipments and managing logistics. Moreover, address customer service and communication protocols related to shipping.

Payment

Step 1: Describe the payment methods you will offer, such as cash, credit cards, online platforms, etc. Discuss any partnerships with payment processors or financial institutions.

Step 2: Explain how you will handle the invoicing and billing processes. Discuss, including frequency and generation methods. Outline any automated systems or software you plan to use for invoicing and billing.

Step 3: Outline procedures for handling refunds, chargebacks, and disputes.

Step 4: Consider regulatory compliance requirements related to payments and explain the security measures taken to protect customer payment information.

Note: Remember that the price was defined in the Marketing Plan and justified in terms of cost and market environment. This section is focused on logistics and operations.

Inventory

Step 1: Describe your inventory management approach, including raw material acquisition and finished product control. Discuss the tools or systems you will use to track inventory accurately. Explain how you will forecast demand and set optimal inventory levels. Address strategies to minimize inventory obsolescence and stockouts. Discuss partnerships or relationships with suppliers to ensure a reliable supply chain.

Step 2: Outline quality control measures for maintaining inventory integrity and explain how you will monitor inventory performance using key metrics.

Financial plan and forecast

Start-up costs – Investment plan

Step 1. List the necessary elements to carry out the company’s activities.

Step 2. Determine each elements necessary investment cost and useful life.

Financing plan

Step 1. Describe your financings and its sources. Remember that the necessary financing will be based on the investment plan.

Step 2. Explain the conditions and implications of obtaining the funds. Answer to the question: What are the conditions for obtaining this financing, and how will it affect the company? This includes aspects like interest rates, repayment terms, collateral requirements, and any potential effects on the company's cash flow and profitability.

Financial forecasts: sales and costs

Step 1. Create a sheet with the names of the months in the columns, beginning by the one you plan start selling.

Step 2. Estimate you monthly number of sales:

1. Realistically estimate how many products/services you think you can sell in a day.
2. Multiply that amount by the number of days you will operate per week.
3. Multiply the result by 4,348 (average number of weeks in a month)

Step 3. Calculate your monthly sales income and costs:

1. Multiply the number of sales by the **price** of one product/service.
2. Multiply the number of sales by the **cost** of one product/service.

Step 4. Complete the sheet (Step 1) with the monthly incomes and costs considering variations in sales during certain months.

Personal survival budget

Following The Prince's Trust Business Plan guide, a survival budget is a calculation of the monthly amount required to cover your living expenses.

Step 1. Compile a comprehensive list of all the various expenses you incur on a monthly basis and aggregate them to obtain your monthly expenses. For the items which costs is variable, calculate the average amount you typically spend per month. Exclude any business-related expenses from this list. Here you have a list to help reflect on your expenses: mortgage or rent, provisions' bills (water, gas, electricity, telephone, wi-fi, etc.), groceries, clothing, taxes, insurances, other properties charges (e.g. car: tax, insurance and maintenance), entertainment and subscriptions (meals, drinks, cinema, gym, sports, etc.), savings, etc.

Step 2. Take into account all the income you receive on a monthly basis aggregate them to obtain your monthly income.

Step 3. Subtract your monthly income from your monthly expenses to calculate the necessary profit from your business to cover your personal living expenses.

Cash-flow Forecast

Step 1. Create a sheet in which the columns represent the number of months you want to forecast; the first column indicates the concept/element name.

Step 2. In the top rows, indicate your incomes (one per line) and aggregate the amounts. This might include sales (from your financial forecast), funding, your own money, etc.

Step 3. Below, repeat the process with the payments and list all the costs (money going out of your business) and aggregate the amount.

Step 4. In the bottom rows, indicate the balance of the month (subtract the total costs from total income) and indicate the closing balance (add or subtract the month balance to the Initial balance).

Breakeven point

Step 1. Calculate the contribution margin: divide the difference between the selling price and variable costs by the selling price.

$$\text{Contribution margin} = \frac{\text{Price} - \text{Variable Cost}}{\text{Price}}$$

Step 2. Divide the total cost of your cashflow (in a year) by the contribution margin to obtain the breakeven point (the amount of money you need to generate per year to cover costs).

$$\text{Breakeven Point} = \frac{\text{Total costs}}{\text{Contribution margin}}$$

SWOT analysis

Step 1. Create list of elements for each box of the SWOT analysis. To do so, you can use creativity techniques such as brainstorming and reflect on the key questions of each box:

Strengths	Weaknesses
<ul style="list-style-type: none"> • What do you do well? • What unique resources can you draw on? • What do others see as your strengths? 	<ul style="list-style-type: none"> • What could you improve? • Where do you have fewer resources than others? • What are others likely to see as weaknesses?
Opportunities	Threats
<ul style="list-style-type: none"> • What opportunities are open to you? • What trends could you take advantage of? • How can you turn your strengths into opportunities? 	<ul style="list-style-type: none"> • What threats could harm you? • What is your competition doing? • What threats do your weaknesses expose to you?

Next you will find a description of each box that will help you explore some topics.

Step 2. Compare the different lists, find connections, contradictions and explore such issues.

Step 3. Evaluate each element, refine it and complement it.

Step 4. Develop strategies to leverage strengths, address weaknesses, capitalize on opportunities, and mitigate threats. Create action plans detailing specific steps, resources, and timelines for implementing the strategies. Consider contingency plans to address potential risks or unexpected events related to identified threats. It is important to

show that the SWOT analysis was not just a theoretical exercise, but that you have made the most of it.