



SNS COLLEGE OF ENGINEERING

Kurumbapalayam (Po), Coimbatore - 641 107

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DEPARTMENT OF MANAGEMENT STUDIES

COURSE NAME : FINANCIAL SOURCING MANAGEMENT

II YEAR /III SEMESTER

Unit 1 – Business Plan



Recall

Sources of Funds

Equity Share

Bank Overdraft



Topic





Topic

Business Plan





Definition

Business Plan:

A written document describing the nature of the business, the sales and marketing strategy and the financial background, and containing a projected profit and loss statement.





Meaning



- A business plan is also a road map that provides directions so a business can plan its future and helps it avoid bumps in the road.
- The time you spend making your business plan thoroughly and accurate, and keeping it up-to-date, is an investment that pays big dividends in the long term.



What is a business plan?

- First-time entrepreneurs consider a business plan to be similar to what a preamble is to a constitution, but there's a big difference.
- A business plan isn't just an introduction of what the business is about.
- It is a written document explaining what the business will be after a certain period of time





Importance of a Business Plan



▶ You need a business plan if you run a business.

▶ There are no exceptions to the type or an age of the business and unlike what many people say, business plans are not limited to startups.

▶ That being said, a business plan is almost a necessity for startups as it helps entrepreneurs break the uncertainty into meaningful pieces and projections.

▶ It helps them to present their vision in a language investors and the world understand – which includes sales forecasts, marketing strategies, competitive strategies, milestones, expense budget, partners and employees, and the short-term and long-term goals.



Direction & Future Vision



Funding

- Almost all of the prospective investors and banks require the entrepreneurs to prepare a business plan for their startups
- The stats, facts, and figures in the business plan make it easy for them to decide whether the team and their business have the potential to earn a profit in the long run or not.

Management

- With a vision set for the future, it becomes easy to manage ideas and people to achieve what's desired.

Partnerships & Alliances

- A business plan helps in smooth execution of the planned business model as it helps to get in the desired partners by explaining their clear roles and the future vision to them.



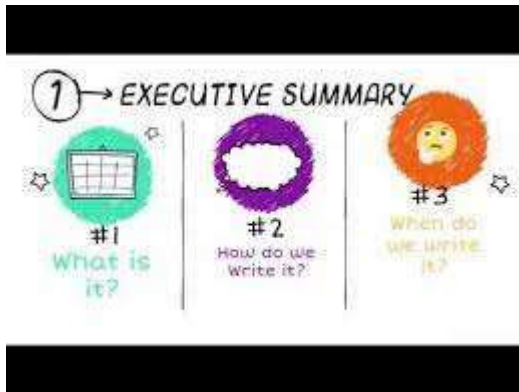
Components Of A Business Plan

- **Executive Summary**
- **Company Description & Synopsis**
- **Market Overview**
- **Customer Analysis**
- **Product/Service Overview**
- **Business Model**
- **Revenue Model**
- **Competitive Analysis**
- **Marketing Plan**
- **Management Team**
- **Funding & Financials**



Executive Summary

- This is a brief overview of the entire business plan.
- This section of the business plan decides whether the stakeholders or investors will continue reading the plan or not.
- It includes a brief overview of the business idea, the offering, business goals, target market, competition, USP, the team and the financial outlook for the business.





Company Description & Synopsis

- This section of the business plan explains the company's mission, philosophy, goals, industry, legal structure, and USP briefly but is more elaborate than the executive summary.
- The details are followed by the problem the company is solving for the customers and the solution which makes it stand out of the competition.





Market Overview

- ▶ This section explains the current market scenario of the industry – the size of the market, market trends, success stories, what is working and what isn't, and what is being favoured and expected by the customers in the market.
- ▶ This section gives the readers a reason to believe why the company chose the market stated.
- ▶ Usually, everything in this section is supplemented with a bundle of facts, stats, and figures to prove that the entrepreneurs have done their research before choosing this as an apt market for their offering.





Customer Analysis

- The customer analysis sections include the persona of the (prospective) customer, which includes his/her demographics, geographics, psychographics, needs, wants, desires, buying habits, etc.





Product /Services Overview

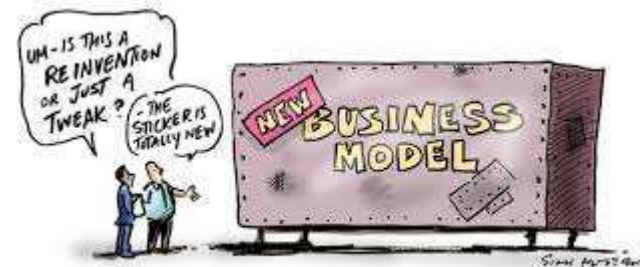
➤ This is a section dedicated to the offering the company is (or will be) providing to the customers. It answers all the what, why, where, and when questions related to the product and reiterates the previous stance of why it is the perfect solution for the problem stated.





Business Model

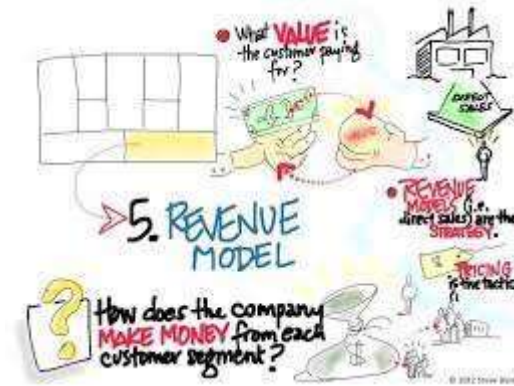
- The business model is the conceptual structure that explains how the company works or will work.
- This section will answer the question of how it will provide the offering in the market and why is the offering viable.
- If the company were Uber, this section would include how it would partner with cab drivers and how would its business structure be viable for both the taxi drivers and its customers.





Revenue Model

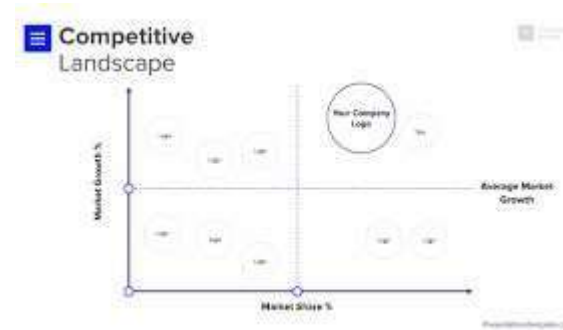
The revenue model explains how the company is planning to earn money using the business structure explained in the business model section. It explains the intricacies of the expenses and revenue sources of the company.





Competitive Analysis

- This section is dedicated to explaining who are the competitors, what are their USPs, and what are the strategies used by the business to tackle them.





Marketing Plan

- The marketing plan acts as an inference of all the details explained earlier.
- This section provides the details on how the company plans to use the information mentioned above in formulating and executing their marketing strategies.
- The marketing plan is an important section of the business plan as it explains how the company is planning to reach out to the customers and stand out of the competitors.
- It includes a holistic strategy to market the offering right from production to post-sales.





Management Team

This section gives the information of all the members on board, their qualifications, experience, and their posts in the company.





Funding and Financials

- ▶ Funding and financials form the conclusion, but it is the most important section of the business plan for startups as it states the cost of the execution of the business plan.
- ▶ It includes all the short-term and long-term financial requirements and funding goals and how the investors can help the company achieve them.





Assessment

Business Plan Components Explains how the company is planning to earn money using the business structure explained in the business model section.





Summary

- Definition
- Meaning
- What is business plan?
- Importance of business plan
- Components of business plan