

**24.2.0 BUSINESS PLAN****24.2.01 Introduction**

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

**24.2.02 General Objectives**

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

- a) understand the background of intended business
- b) understand the market environment of the business
- c) understand organization and management plan
- d) appreciate operational plan
- e) prepare financial projections
- f) prepare a business plan

**24.2.3 Module Unit Summary and Time Allocation****Business Plan**

<b>Code</b>	<b>Sub Module Unit</b>	<b>Content</b>	<b>Time Hrs</b>
24.2.1	Introduction To Business Planning	<ul style="list-style-type: none"> <li>• Meaning of business plan</li> <li>• Purpose of a business plan</li> <li>• Features of a business plan</li> <li>• Guidelines for developing an effective business plan</li> </ul>	4
24.2.2	Business Description	<ul style="list-style-type: none"> <li>• Business name</li> <li>• Business location and address</li> <li>• Form of business ownership</li> <li>• Type of business</li> <li>• Products/ services</li> <li>• Justification of the opportunity</li> <li>• The industry</li> <li>• Business goals and objectives</li> <li>• Entry and growth strategy</li> <li>• SWOT analysis</li> </ul>	4
24.2.3	Marketing Plan	<ul style="list-style-type: none"> <li>• Customer identification</li> <li>• Competitor analysis</li> <li>• Market share</li> <li>• Promotion and advertising</li> </ul>	4

		<ul style="list-style-type: none"> <li>• Pricing strategy</li> <li>• Sales tactics</li> <li>• Sales target</li> <li>• Distribution strategy</li> <li>• Customer service</li> </ul>	
24.2.4	Organization And Management Plan	<ul style="list-style-type: none"> <li>• Organization structure</li> <li>• Management team</li> <li>• Recruitment, training and promotion</li> <li>• Remuneration and incentives</li> <li>• Licenses, permits and other requirements</li> <li>• Supporting services</li> </ul>	4
24.2.5	Operational/ Production Plan	<ul style="list-style-type: none"> <li>• Production facilities and capacity utilization</li> <li>• Production and operation strategy</li> <li>• Production process</li> <li>• Regulations affecting operations</li> <li>• Operational time table/production schedule</li> <li>•</li> </ul>	4
24.2.6	Financial Plan	<ul style="list-style-type: none"> <li>• Pre-operations cost</li> <li>• Working capital</li> <li>• Cash flow projections</li> <li>• Pro-forma income statements</li> <li>• Pro-forma balance sheets</li> <li>• Break even analysis</li> <li>• Profitability ratios</li> <li>• Desired financing</li> <li>• Proposed capitalization</li> <li>• Potential risks</li> </ul>	4
24.2.7	Presentation	<ul style="list-style-type: none"> <li>• Business plan writing</li> <li>• Presentation of the business plan</li> </ul>	16
24.2.8	Emerging Trends	<ul style="list-style-type: none"> <li>• Emerging issues in business planning</li> <li>• Strategies in dealing with emerging issues</li> </ul>	4
<b>Total time</b>			<b>44</b>

## 24.2.1 INTRODUCTION

### *Theory*

#### 24.2.1T0 *Specific Objectives*

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

- a) explain the meaning of a business plan
- b) explain the purposes of a business plan
- c) identify the features of a business plan
- d) describe guidelines for developing an effective business plan

### *Content*

24.2.1T 1 Meaning of a business plan

24.2.1T 2 Purposes of a business plan

24.2.1T 3 Features of a business plan

24.2.1T 4 Guidelines for developing an effective business plan

### *Practice*

#### 24.2.1P0 *Specific Objectives*

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

- a) identify the features of a business plan
- b) describe guidelines for developing an effective business plan

### *Content*

24.2.1P1 Features of a business plan

24.2.1P2 Guidelines for developing an effective business plan

## 24.2.2 BUSINESS DESCRIPTION

### *Theory*

#### 24.2.2T1 *Specific Objectives*

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

- a) provide the business name
- b) describe business location and address
- c) discuss form of business ownership
- d) explain the type of business
- e) describe the products offered
- f) discuss the justification of opportunity
- g) describe the industry
- h) explain the goals of business
- i) explain the entry and growth strategy
- j) discuss SWOT analysis

### *Content*

24.2.2T1 Provide the business name

- 24.2.2T2 Business location and address
- 24.2.2T3 Form of business ownership
- 24.2.2T4 Type of business
- 24.2.2T5 Products offered
- 24.2.2T6 Justification of opportunity
- 24.2.2T7 The industry
- 24.2.2T8 The goals of business
- 24.2.2T9 Entry and growth strategy
- 24.2.2T10 SWOT analysis

**Practice**

- 24.2.2P0 *Specific Objectives*  
By the end of the sub-module unit, the trainee should be able to:
  - a) develop business names
  - b) discuss form of business ownership
  - c) explain the type of business
  - d) describe the products offered

*Content*

- 24.2.3T1 Create a business name
- 24.2.3T 2 Form of business ownership
- 24.2.3T 3 Type of business
- 24.2.3T 4 description of products offered

**24.2.3 MARKETING PLAN**

*Theory*

- 24.2.3T0 *Specific Objectives*

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

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

*Content*

- 24.2.3T1 Identification of customers
- 24.2.3T2 Competitors analysis
- 24.2.3T3 Determination the market share
- 24.2.3T4 Methods of promotion and advertising
- 24.2.3T5 Pricing strategy
- 24.2.3T6 Set sales target
- 24.2.3T7 Sales tactics
- 24.2.3T8 Distribution strategy
- 24.2.3T9 Customer service strategy

*Practice*

- 24.2.3P0 *Specific Objectives*

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

- a) identify customers
- b) describe the competitors
- c) determine the methods of promotion and advertising
- d) explain the factors to consider in pricing
- e) identify the sales tactics
- f) describe the distribution strategy
- g) describe the customer service strategy

*Content*

- 24.2.3P1 Identification of customers
- 24.2.3P2 Competitors analysis
- 24.2.3P3 Methods of promotion and advertising
- 24.2.3P4 Pricing strategy
- 24.2.3P5 Sales tactics
- 24.2.3P6 Distribution strategy
- 24.2.3P7 Customer service strategy

**24.2.4 ORGANIZATION AND MANAGEMENT PLAN**

*Theory*

- 24.2.4T1 *Specific Objectives*

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

- a) describe the organization structure
- b) describe the management team
- c) identify other business personnel
- d) explain recruitment, training and promotion of personnel
- e) discuss remuneration and incentives for personnel
- f) identify licenses persist and legal requirements
- g) identify support services

*Content*

- 24.2.4T 1 Organization structure
- 24.2.4T 2 Management team
- 24.2.4T 3 Other business personnel
- 24.2.4T 4 Recruitment, training and promotion of personnel
- 24.2.4T 5 Remuneration and incentives for personnel
- 24.2.4T 6 Licenses persist and legal requirements
- 24.2.4T 7 Support services

*Practice*

- 24.2.4P1 *Specific Objectives*

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

- a) draw organization structure
- b) assemble a the management team
- c) develop a management plan

*Content*

- 24.2.4P1 Organization structure
- 24.2.4P2 Management team
- 24.2.4P3 Management plan

**24.2.5 OPERATIONAL AND PRODUCTION PLAN**

*Theory*

24.2.5T0 *Specific Objectives*

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

- a) identify production facilities and capacity
- b) develop a production and operation strategy
- c) describe the production process of the products
- d) discuss the regulations affecting operations
- e) prepare operation time table/production schedule

*Content*

- 24.2.5T 1 Production facilities and capacity
- 24.2.5T 2 Develop a production and operation strategy
- P24.2.5T3 Production process of the products
- 24.2.5T 4 Production processes of the products
- 24.2.5T 5 Regulations affecting operations
- 24.2.5T 6 Prepare operation time table/production schedule

*Practice*

24.2.5P0 *Specific Objectives*

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

- a) identify production facilities and capacity
- b) describe the production process of the products

*Content*

- 24.2.5P 1 Production facilities and capacity
- 24.2.5P 2 Production processes of the products

**24.2.6 FINANCIAL PLAN**

*Theory*

24.2.6T1 *Specific Objectives*

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

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

*Content*

- 24.2.6T 1 Determination aspect of a financial plan
- 24.2.6T 2 Estimating working capital
- 24.2.6T 3 Estimating cash-flow projections
- 24.2.6T 4 Preparation pro-forma income statements
- 24.2.6T 5 Preparation pro-forma balance sheets
- 24.2.6T 6 Calculation break-even point
- 24.2.6T 7 Calculation profitability ratios

*Practice*

- 24.2.6P1 *Specific Objectives*

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

- a) determine pre-operational costs
- b) estimate working capital
- c) estimate cash-flow projections
- d) prepare pro-forma income statements
- e) prepare pro-forma balance sheets
- f) calculate break-even point
- g) calculate profitability ratios

*Content*

- 24.2.6P1 Determination pre-operational costs
- 24.2.6P2 Estimating working capital
- 24.2.6P3 Estimating cash-flow projections
- 24.2.6P4 Preparation pro-forma income statements
- 24.2.6P5 Preparation pro-forma balance sheets
- 24.2.6P6 Calculation break-even point
- 24.2.6P7 Calculation profitability ratios

**24.2.7 PRESENTATION**

- 24.2.7T0 *Specific Objectives*  
By the end of the topic the trainees should be able to:

- a) write a final business plan
- b) make a presentation of the business plan

*Content*

- 24.2.7T1 Final business plan
  - i) Format
  - ii) Elements
- 24.2.7T2 Business plan presentation
  - i) Order of presentation
  - ii) Flow of ideas/content
  - iii) Communication style
  - iv) Appropriate display methods for final document

**24.2.8 EMERGING TRENDS AND ISSUES IN BUSINESS PLANNING**

- 24.2.8T0 *Specific Objectives*  
By the end of the topic the trainees should be able to:
  - a) identify the emerging trends and

issues in business plan

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

*Content*

- 24.2.8T1 Emerging trends and issues in business planning
- 24.2.8T2 Challenges posed by the emerging trends and issues business planning
- 24.2.8T3 Ways of coping with challenges posed by emerging trends and issues business planning

*Competence*

The trainee should have the ability to: prepare a business plan