

## Developing Your Business Plan

### Setting Your Direction

This business planning curriculum is a tool being provided by MEPI and IIE to assist your organization in achieving the CTC Project outcomes. It is important to understand that this particular business planning tool is designed specifically to assist your organization with the development of a sustainable CTC and to achieve the outcomes specific to the MEPI and IIE project goals.

Elements of the curriculum include this handbook, as well as the:

- ▶ CTC Action Plan Template
- ▶ CTC Business Plan Template
- ▶ CTC Cost Recovery Financial Tracking Tool
- ▶ CTC Implementation Guide Template
- ▶ Recovery Statement

Each of these tools is defined and explained throughout the curriculum.

Before you begin the process of business plan development, let's review the components of the plan, and how to get the most from the templates and tools provided with this curriculum.

### The Goal of Your Business Plan

In order to be successful with a CTC plan, it is important to recognize that even though your organization exists, you are adding a new element (service) that needs to provide for itself. It cannot be allowed to rely on existing funds to succeed. You need a plan that outlines how your CTC can independently sustain itself.

The business model you will develop for the CTC is based on what is known as the cost recovery model. The cost recovery model implies that your CTC will extend upfront funding and recover the operational costs as participants pay fees for training services.

This presents several unique factors for consideration. As you prepare your business plan, consider:

- ▶ The estimated length of time it will take the CTC to begin generating income
- ▶ The amount of start up "cash" needed to sustain the CTC, until income is generated
- ▶ The actual expenses that will be generated by the program
- ▶ The appropriate fee(s) you will need to charge in order to recover the expenses that are generated by the program

- ▶ How many participants you can realistically serve at any one time.
- ▶ What the hours of operation will be for the CTC and how many classes can be offered during those hours.
- ▶ How much staff will be required to service those classes, prepare schedules and maintain the operation of the CTC.

Consider how your new service relates to the mission of the overall organization and how the CTC can grow successfully and independently of the organization.

The planning processes you will use to create your CTC plan is divided into several components. The Action Plan Template and Implementation Guide Template are tools to assist you in planning and implementing the plan you write. The Business Plan Template itself is divided into 6 parts and an optional 7<sup>th</sup>. The specific parts are listed below.

1. Action Plan
2. Business Plan Template
  - ▶ Contact Information Page and Executive Summary
  - ▶ Organization Description
  - ▶ The Market
  - ▶ Operations
  - ▶ Sales & Marketing
  - ▶ Financials
  - ▶ Optional Add-Ons
3. Implementation Guide

Once you complete your business plan document, it will be presented in the order you see above, however you will develop one of the components in a different order, saving the *Executive Summary* for last.

In addition to the elements listed above, you will also have a Cost Recovery Financial Tracking Tool designed to assist you in tracking the dollars you will receive and spend for your CTC. This tool has been set up to automatically calculate your “recovery” process.

Finally there is a Recovery Statement that will assist you in identifying how you can reinvest surplus revenue generated by your CTC back into the program.

As you move through this guide, we will explore each area in detail to assist in the development process.

## Benefits of the Development Process

So you ask, why spend time creating a business plan? Isn't it just easier to set up the CTC, open the doors and begin providing services? It's true that having a business plan does not necessarily guarantee a successful CTC implementation, but it is a better guarantee that without a plan, your CTC can sputter and fold before you get started. Planning at the beginning can save you time and money during operations. Specific benefits of the development process include:

- ▶ Considering all the elements that will need support in order for the CTC to be sustainable
- ▶ Fully understanding how much revenue is required to sustain the program
- ▶ Preparing a marketing approach to insure that participants know about the services available through the CTC

## Using the Action Plan Template

The first tool in the business plan development curriculum is called the Action Plan Template. The Action Plan Template provides worksheets to outline goals and monitor progress as you develop your CTC Business Plan. The worksheets highlight seven major milestones that involve various elements of the business plan development process. These milestone goals are targeted for specific weeks during a 12 week period. Instructions on how to use the template are included in the Action Plan Template document provided with this curriculum.

## Using the Business Plan Template

The Business Plan Template is designed to guide you through the writing and development process. Again, remember that your plan is focused on the CTC portion of your organization and not the organization itself. Once you populate the template with content, you may print it and use it for presentation purposes. It has been formatted to provide a professional looking plan that can be used with funders, bankers and other resources as you initiate and build your CTC.

Like many of the other tools in this package, the Business Plan Template is set up as a form. Some of the form areas are locked to protect the integrity of the layout and to make it easier to add content. You will see directions in the areas that allow input. The statement [Enter content here] appears in gray where you are able to type. Place your cursor over these gray areas and type in the content you desire.

The Table of Contents section of the Business Plan Template is also set up as a form, and the page numbers will need to be entered once you have completed development of your business plan.

This curriculum guide will present each area of the Business Plan Template and provide direction on how to complete the template.

### **Using the Microsoft Excel Cost Recovery Financial Tracking Tool**

The CTC Cost Recovery Financial Tracking Tool is provided as a way to track income and expenses specific to the CTC and the “break even” point of your cost recovery structure. The tracking tool is created in Microsoft Excel.

Similar to the Word files, the Microsoft Excel file is a template. The template provides a format for entering your specific CTC data. Areas of the template are locked to preserve the layout of the form, but you will use many of the blank cells to input data. Where appropriate, the Excel file will calculate values based on the numbers that have been entered. You will be able to see where those calculations occur. Many times the calculated values will be sums of a series of numbers. Specific instructions for how to use this template can be found under the financial module of this curriculum.

### **Recovery Statement**

The Recovery Statement is a Microsoft Word template and is provided as a way for you to plan for how to reinvest any recovery revenues that are generated from your CTC. Specific instructions on how to complete this statement are included in the Financials section of this handbook.

### **Using the Implementation Guide Template**

Once you have completed your Business Plan Template, it will be necessary to implement the plan. This is perhaps the most critical part of a business development initiative. Developing a good plan is half the work. The second half is using the plan you develop to create progress and success. The Implementation Guide Template provides a way to track your progress and goals on a quarterly basis and to build in accountability for the members of the team who are responsible for implementing the plan.

The Implementation Guide is a good tool to use to track and monitor progress. It also allows you to change and update your business plan as needed. Specific instructions on how to use the Implementation Guide Template are included in the template document.