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**BUILDING ENTREPRENEURIAL CAPACITY FOR MIGRANTS
THROUGH THE ONLINE LEARNING**



Project no 2019-1-TR01-KA204-077633

Erasmus+ Program – Strategic Partnership – Cooperation for
Innovation and the Exchange of Good Practices

Business plan

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1 Objectives of the module

The object of this module is to be able to create a business plan before you start a business.

Definition business plan:

A business plan is a document that describes the basis of the business idea (the overall goal of an enterprise) and a summary of the strategy that management finds most appropriate for success. Internally in the enterprise, the business plan is used as a starting point for the preparation of budgets and action plans; outwardly, it provides a basis for ensuring support and building trust in relation to suppliers, customers, banking associates and investors.

A business plan should describe the business idea of the enterprise. It should answer how your company should succeed. The business plan is a planning document in the initial stages of a business, and a management tool after its establishment. In the business plan, the company will elaborate on the business idea, goals for the company, which markets the company wants to access and who are the customers/target group. In addition, the company's suppliers, competitors, implementation plan, finance, budgets, capital requirements, financing as well as the company's greatest risk factors are all important topics to be described in the business plan. A business plan should normally apply for the next five years but should be evaluated annually through the company's strategy work. The document is mainly an internal tool, but is often used externally in relation to investors and financial institutions.

2 Learning outcomes

In this module we are going to provide learning outcomes for how to:

- Create a business idea
- Make good a good vision
- How to organization the business
- How to analyses the Market and create market plan
- How to finances your business

3 Introduction to business plan

The business idea is the mainstay of the business plan. The business plan should therefore describe both the business idea, the purpose of the business and how best to implement the business idea with the least possible risk.

The business plan is a document that should describe the following points:

Nr.	Content	
1	Summary (resume)	
2	Business idea	
3	Objectives	
4	Working conditions (SWOT analysis)	
5	Market basis (market analysis)	
6	Marketing strategy (market plan)	
7	Product description	
8	Facilities & equipment	
9	Organization plan	
10	Funding	

The document should be precise and concise. However, it must not be so concise that it goes beyond the content. Among other things, the plan must provide answers to questions that the Bank asks when processing loan applications.

3.1 Why is the work of creating a business plan important?

Among other things, the business plan is important

- to plan the start-up of your business
- as a map to manage your business after start-up

The very process of creating a business plan is often more important than the document itself.

When you work on creating your business plan, you become aware of the challenges your business faces. This work ensures that the business plan is well thought out.

The business plan should not be an immutable document. The plan must be developed and changed as the company itself develops and changes.

3.2 How to create a Business plan

Definition business plan:

A business plan is a document that describes the basis of the business idea (the overall goal of an enterprise) and a summary of the strategy that management finds most appropriate for success. Internally in the enterprise, the business plan is used as a starting point for the preparation of budgets and action plans; outwardly, it provides a basis for ensuring support and building trust in relation to suppliers, customers, banking associates and investors.

Do you dream of starting your own business? Not sure how to proceed? Here's what it takes. Business idea, business plan and company form are concepts that you have to deal with.

Read this blog if you are interested:

<https://blog.hubspot.com/sales/how-to-become-an-entrepreneur>

It's not enough to have a vague idea of how to commercialize a hobby or a passion. You must have professional experience and expertise in the industry in which you wish to establish yourself. To structure your ideas and make the business idea interesting to investors, it is a prerequisite to write a business plan. If you are going to start your own company, you must have a good business plan that outlines:

- which services to provide
- the competence of the company
- how to create an economic surplus

Many choose to create a short business plan that can be presented to potential investors during a short period of time, often called an "elevator pitch".

In addition, it is recommended to create a more detailed business plan that can be presented to investors and consultants in business development and seed capital.

3.3 Obtain financing and establish a bank connection

Establishing a business requires risk-averse capital. Contact your bank connection and apply for a loan to establish a business. Apply for a credit card for your business so that expenses can be paid from a business account. Set aside money for tax and VAT from day one and get yourself a good accountant. It is important to have a good dialogue with the accountant and make sure to clarify routines for invoicing, payroll payments, payment of taxes, fees, and pension schemes.

3.4 How to Do a market analysis

Definition of a market analysis

Market analysis means obtaining information about the market and then deciding what is a realistic objective for the sale of products/services. Information and data about the market can be anything from who the competitors are, the distribution of market shares, who is the customer, the needs of customers, etc.

There are several specialized market analysis companies that can help you map the market. There is also a number of online survey tools that can give an indication of your interest in your products or services. In this process, it is also natural to identify potential partners. A good market analysis answers the following questions:

- What existing players are in the market?
- How big is the market?
- What manufacturers, subcontractors are in the market?
- What technological solutions are there?

3.5 Create documentation, product, and service descriptions

For the product or service to be sold in the market, all aspects of the product or service must be described. Create marketing materials and describe what makes your product or service unique. Describe what distinguishes your product or service from other players in the market.

3.6 Map what expertise is required in the company

If you want to develop a company, you depend on competent employees and a productive and teachable environment. Map which key people your company will require to grow and develop. Create job descriptions and set up computer systems for

collaboration and document sharing.

3.7 Make a budget

It's hard to have a surplus from day one. Many start-ups do not achieve positive operating results until after 2 years, the majority of start-ups go bankrupt after 5 years. In order to continuously assess whether your company is viable, milestones must be defined. Make estimates of how much costs the company will have until the company makes a profit. In this way, you can calculate how much revenue your company requires within a certain period.

3.8 SWOT and risk analyses

What strengths, weaknesses, potentials, and threats characterize your business model and the market in which you want to establish yourself? Think what conditions give you strength and be ready to take advantage of the benefits this gives you. Also, be aware of what weaknesses and how this can become a threat to your business.

3.9 Plan marketing activities

All businesses require a presence on the internet. Today, there is a number of simple publishing solutions that make the job of running a website easy.

Solutions like WordPress make it very easy to set up a professional website. If you want to invest in e-commerce, you need to think about your need for payment solutions.

3.10 Build trust and cultivate your stamina

Positive reviews and customer references are fundamental to building a long-loading brand.

Focus on customer service from day one. Your customers are your ambassadors and are the best way to do marketing. Put the customer and customer's needs first.

Starting a business is a time-consuming and long-term job. An entrepreneur must calculate to spend more than a normal working day in the establishment phase.

3.11 Get creative and stay up to date on technology

Creativity is a process. If you want to build a business that will last, you need to always use the latest technology.

Keep up to date with the latest in the market and listen to your customers' needs.

4. Write a business plan and create a vision

for your business

4.1. Vision

Every company has a vision, whether it's a vision they've defined in writing or whether it's a thought about how the business should be. We take a closer look at what a vision is and how to make one.

A vision can be defined as an image that you paint about the future of your business. It may sound like big words but tell you what you want your business to do in the next few years.

There is no clear answer as to what is right or how to do it, but a big point is that the vision should be identifiable with your business and should therefore be related to it.

How to make a vision?

As mentioned, a vision can be a thought you have for the future of your business, but when we talk about vision and creating a vision, it's a matter of forming a vision that can be used internally and externally.

Some believe that a vision is a kind of long-term goal that one works towards, while others see it as a standard they want to maintain at all times. There are a few things you should include in your vision:

- It should be ambitious and something the company can reach for. At the same time, it should not be unattainable.
- It should be inclusive for both employees and the target group.
- It should be simple and clear, do not use lots of incomprehensible words.
- It should suit your business.

A vision is about thoughts for the company for both now and the future, but it is important that one can see a connection between the company and the vision. Let's look at some examples of visions to get a better clarity of what it might be:

"To make people happy" -

Disney's vision is short and simple, but it simply says about what Disney stands for. The vision is about what they are doing now but there is also something to reach out to by maintaining their goal and vision.

"Helping and inspiring people to improve their everyday lives by offering smart, simple, practical solutions at attractive Clas Ohlson prices."

- Clas Ohlson - Wikipedia

Clas Ohlson has a slightly longer vision than Disney, but with a vision of the future. In addition, Clas Ohlson also includes their own name and what they offer. It is not uncommon for a vision to be even more ambitious and go a long way in using

formulations such as *the industry's best, fastest delivery, most helpful* and the like. If these formulations are used in slogans or marketing, on the other hand, it will be perceived that this is the reality, while in the vision you can determine what you are working towards.

4.2 Business model

In the next round of the plan, you set up a business model. The business model is an important part of a business plan and specifically explains what to do to make money for your business.

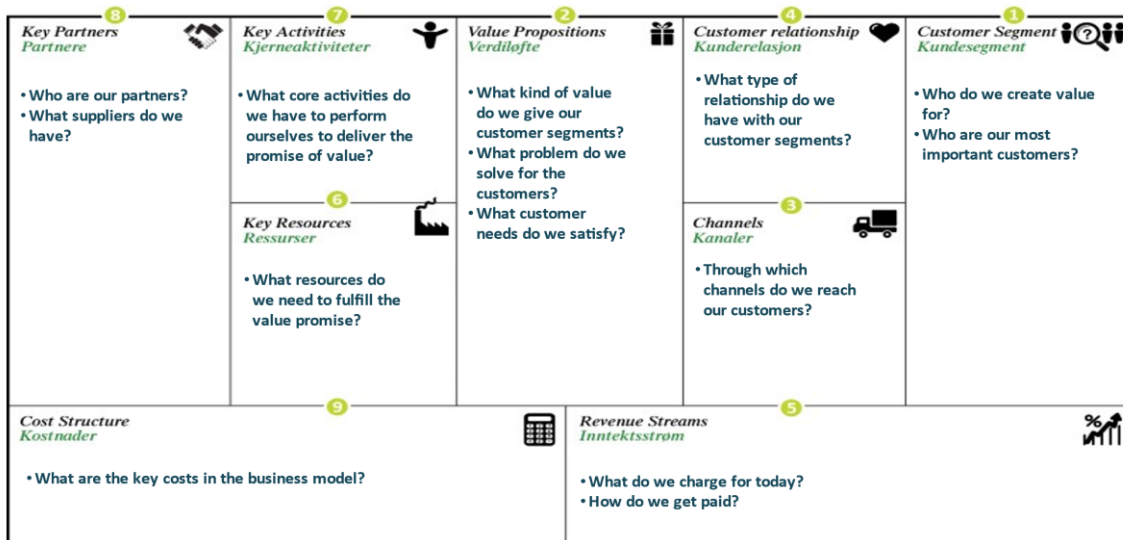
It should answer these questions:

- What services or goods should you sell?
- Who's your customer?
- Who are potential competitors or partners?
- What sets your product apart from its competitors?
- Why should customers shop from you?
- How are you going to produce your product?
- How are you going to sell your goods or services? For example, should you have a physical store or website?
- How are you going to charge? Need a cash register system or invoice program?
- How will you deliver or distribute your product?

Setting up your business model at the start of your company also makes it easier to plan what you need from goods, services, and expertise as your business evolves.

An easy way to create a business model is to use "Business Model Canvas". There is a template on only one A4 page developed by Alexander Osterwalder to help you map out how your business will be run. Here's what it looks like:

Business model - a living document



https://en.wikipedia.org/wiki/Business_Model_Canvas

There are a myriad of business models and business plans. One doesn't have to be more accurate than the other. Innovation Norway, for example, uses this Canvas model as you see here, and this is the one we usually use as many of those who contact us also have plans to apply for grants from Innovation Norway. IN has its own courses on how to use this model, on how to go in depth on the plan if you are to apply for funding from IN. Check out their course calendar if it is relevant to you with an in-depth course.

The business model should be a logical description of how you create, deliver and hijack values!

As you can see here, the various boxes are numbered, where boxes 1-5 deal with the customer and how to reach them, while boxes 6-9 deal with the product and how to develop this. The model is your own, and a living working document that changes in step with the market.

<https://www.youtube.com/watch?v=CakUeC1sCSs>

[Business Model Canvas Template | Miro](#)

5. Financing

How to finance the start-up?

Financing a business means raising enough capital to start up and run the business.

Proper financing helps to make the start-up and the first time easier for you so that you

can pay your obligations.

The most common way to finance the start-up is through equity and loans. It is also possible to acquire external investors. These can be friends, family or professional investors. In return, for example, these may be offered ownership interests in the business.

In addition, it is possible to raise capital through, for example, "Crowdfunding" if you have an idea that is interesting to the market. Through projects, public entities can offer support schemes that may be possible to apply for.

What needs to be funded?

An important clarification is to find out how much capital you will need to finance the start-up. You can find the amount by creating an overview of your capital requirements (start-up costs). Here you calculate what you will need of equipment, other start-up costs and any working capital to cover ongoing expenses in the time before you start receiving income. After the capital requirement is calculated, you must start working on the financing.

Equity

Be sure to have enough equity to get a healthy financing of your business. The equity at start-up depends on the risk you are taking and which industry you are going to start up in. However, it should be between 20 - 35% of the capital requirement. In addition to money and assets in real estate, equity can be equipment. Please note that its own equipment must be valued before it can be included as an asset in the business.

Borrowing money

If you need to borrow money to finance the start-up, it is possible to apply to your bank or other financial institutions for loans. Please note that the lender requires collateral for the loan, for example in the form of collateral in real estate, inventory or in equipment. Good security provides better interest rate conditions than poor or uncertain security (such as a inventory).

If you want to borrow money from a bank, it is important that you show up well prepared at the bank and can present a business plan and realistic budget, as well as shows that there is a need in the market for your project. A well-worked business model is a good starting point for your conversation with the bank in addition to your business plan and realistic start-up budgets.

What is crowdfunding?

Crowdfunding is a way to raise money for new projects. For example, you can raise money to finance the start-up of a new business or to create a prototype of a new product. The concept of crowdfunding makes it easier for people to give support directly to projects they are concerned with, while making it easier for small players to get support for their projects.

Crowdfunding is an alternative funding method where you can fund the start-up of your project with contributions from many donors, both private individuals and businesses. In addition, this method can give you great feedback on your idea or product.

There are different types of crowdfunding. The most common forms of crowdfunding are:

- Donation where you make an amount in advance without rebuttal.
- Reward where you give an amount to a project and receive a reward.
- Share-based or equity-based where the person giving an amount receives shares and becomes the owner in the business.
- Loan-based where someone lends their money against returns over time in the project, also called crowdlending. Separate rules have been drawn up for those who provide loans.
- Both donation- and reward-based crowdfunding are relevant ways to fund the start-up of new businesses in an early phase. Here it is possible to get the support of many who want to give without demanding any pay-back.

6. Market analysis

Definition market analysis

Market analysis means obtaining information about the market and then deciding what is a realistic objective for the sale of products/services. Information and data about the market can be anything from who the competitors are, the distribution of market shares, who is the customer, the needs of customers, etc.

Businesses need information about the market and the surrounding business environment to maintain success.

Different methods of market analysis are available so that companies can gather the necessary information for external factors. Common market analysis options include surveys, focus groups, observation, field trials, or other methods.

Regardless of which approach was used, the methods of market analysis should provide valuable information the company did not have before. The collected data should also allow a company to improve its operations and be stronger than its competitors.

Frequently used analytics when starting a business is a SWOT analysis

Important questions

In other words, a marketing strategy should give you answers to the following questions:

- Which market should I bet on?
- Who is the target audience? And what kind of needs do they have?
- What product should I offer to meet my customers' needs?
- What is the right price for the product?
- What specific marketing activities should I initiate to achieve my goals?

6.1 SWOT analysis

A SWOT analysis is a systematic review of the conditions that a company must consider. These are positive and negative conditions inside and outside the company that we call working conditions. Such a SWOT analysis is the basis for the decision-making for further work on the market plan.

When a SWOT analysis has been set up, it allows the business to make recommendations, such as: "The business should take advantage of the fact that it has low production costs to take part in the growing market for low-cost products." In this way, the company uses strength to take advantage of an opportunity.

When the company has the SWOT analysis ready and has gained an overview of both the internal and external parties, the positive results can be used to reduce the negative results.

- Forces to be exploited
- Weaknesses should be reduced
- Opportunities to be invested in
- Threats should be identified 100%

What is a SWOT analysis and how can it help your business?

A SWOT analysis is a widely used method of mapping the strengths (Strengths), weaknesses, opportunities, and threats in a company, organization, or project. With this information, it is much easier to make the right strategic decisions. The method is also used for career planning.

Internal factors

The first two points, **strengths** and **weaknesses**, are factors over which the business itself has a large degree of control and is therefore possible to improve. For example A self-employed hairdresser who is closed on Thursdays and Fridays knows that sales can easily be increased by staying open even these days.

External factors

However, there are always factors beyond the company's control, which one can best try to mitigate the harmful effects on or at the other end of the scale; seize the opportunities that lie there. These are in a SWOT analysis described below the **points possibilities** and **threats**.

A good example is the transition from analogue to digital photography. Kodak was until the introduction of digital cameras, the dominant provider of cameras and film reels in the world. New technology (changes that were beyond the company's control) caused them to lose this position within a few years. Kodak couldn't have stopped the development, the only thing they could have done was fully invest in the new market for opening up digital cameras and memory chips. Instead, they chose to continue as before, and within a few years were bypassed by actors who seize the new opportunities with both hands.

To create a SWOT analysis (with downloadable template)

Draw a horizontal line down the middle of an A4 sheet of. Write "strengths" and "opportunities" on the left, and "weaknesses" and "threats" on the right side (so that the western side of the sheet covers the positive and right-side negative factors). Leave enough room to fill in 3-5 sentences under each heading.

<https://www.smartsheet.com/14-free-swot-analysis-templates>

SWOT ANALYSIS



https://no.wikipedia.org/wiki/SWOT-analy_1

Ask good questions and note the answers you come up with below each point.
Examples:

Strengths:

What competitive advantages does the company have? What makes you better than your competitors?

What resources are there? (Personnel, services and the item on victim).

What makes your customers choose you?

Weaknesses:

What's bad as of today? What can be improved?

What makes customers not buying? Why are other actors chosen instead?

Which routines work poorly?

Opportunities:

What trends apply now?

New technology?

Is it possible to reach new markets?

Threats:

What do the competitors do? New players in the market?

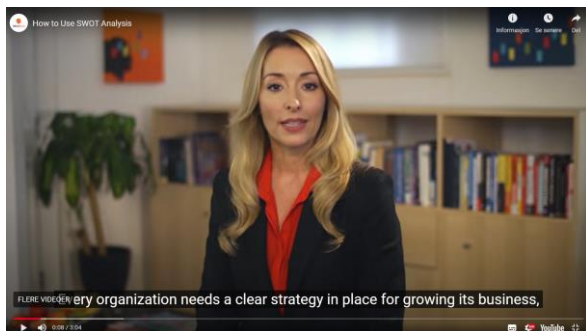
State regulations? New rules of the game in the industry?

Changes in the customer base? (Migration/depopulation? Upturn/recession?)

Trend shift. Can what you sacrifice become "offshoot"?

Watch a video about how to use and create SWOT analyses

[SWOT Analysis Video - Strategy skills training \(mindtools.com\)](https://www.mindtools.com/pages/newbystrat/newbystratSWOTAnalysisVideo.html)



6.2 Customer base and market analysis

If you are starting a new business, you need to check if there are enough customers in the market who want to buy your products. The market has to be big enough for you to make money and make a profit.

Market research

- There are several ways to conduct market research, but we have two main ways:
- practical surveys, where we ask customers directly what they think about our products
- more theoretical research, using market information already collected (by us or others)

Field surveys

For example, in field surveys, we can interview our customers and ask what they think of a particular item, and whether they would like to buy the item if they were offered it. If the customer is already buying the item from one of our competitors, we can ask what they miss and what it takes for them to start buying from us instead. One type of field survey is test sales. You can test the sale of the product by selling it for a short period of time to a certain customer group.

Competitor Analysis

If you're going to set up a new business, you should know your competitors. Among other things, you should know:

- Who are the competitors of your own business?
- What products do the competitors victim?
- What makes customers buy their own products?

If you can't answer this, you also can't know how to offer customers something that makes them prefer their products instead.

It can be difficult to find information about your competitors, but public records, such as public records, competitors' own marketing materials, and websites can be helpful.

Marketing strategy

Once you've set goals for your marketing efforts, you'll need to figure out how to achieve those goals. We say that we are laying out a strategy – a market strategy.

A marketing strategy is an accurate plan for how to achieve your market goals.

To create a marketing strategy, you must:

- find out which market and target groups to bet on
- consider how to use the instruments (the five p's)
- Actively use what you are best at to get the customer to shop with you
- plan marketing initiatives aimed at the relevant target group

Important concepts

- Marketing strategy: a plan to achieve market goals
- Target group: the part of the market the company want to turn to
- Instruments: marketing tools, competitive assets, the five p's
- Marketing measures: specific marketing activities

The Road to Success

Creating a marketing strategy is a comprehensive but very important job for you and your business to succeed. Keep in mind that a "small" marketing strategy that you can expand over time is better than no strategy at all.

Product descriptions

In a business plan, you'll describe, among other things, which products your business will create or sell



Picture from Fønix As 1

What is a product?

The word product we use when we talk about all kinds of goods and services. A business that sells skateboard merchandise sells products. So does a business that sells phone subscription services.

The product description in the business plan

A business plan should include an overview of the products or product groups your business wants to sell or create.

Of course, the choice of products should be consistent with your business idea.

A review of the products provides useful information for the person reading the business plan.

If you are talking about services in the form of consulting and consultancy work, you should describe them in detail. You should also tell us the professional level at which the services are located and what pleasure and benefit customers can have from using these services.

7. Facilities & Equipment

If you are going to start a business, you often need facilities and equipment. Then you need to consider which premises are the best, and what equipment is needed. Do you need stock? Is it important where the company is located? Do you need parking facilities and the opportunity to expand? And not least: How expensive is the rent?

Facilities

If you are opening a store, look for good retail space located in a place where customers can easily find their way around.

If you need production facilities or workshop premises, you will probably need to look elsewhere, for example in larger industrial areas.

Why are the facilities important?

Premises and furnishings are of great importance for how customers experience the company. The size of the premises and the location have a lot to do with the turnover of the business, but also for the cost of rent. The location can determine whether people know about you and therefore shop with you.

Pay close attention to order and cleaning so that the company appears trustworthy and serious.

Important to consider in the choice of local:

- Location
- Aptitude
- Demand for inventory
- Size
- Need for parking spaces
- Costs
- Own or rent

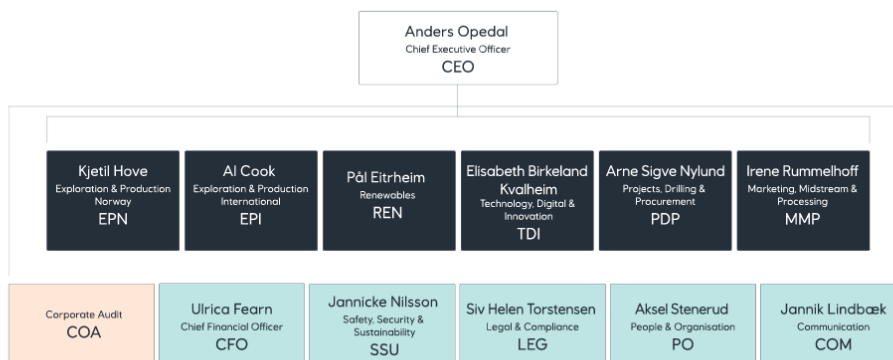
7.1 Organization plan

An organizational plan is the pattern that is formed in the company when we divide the employees into groups and departments. An organizational plan provides an overview of responsibilities, authority and tasks and is often illustrated in the form of a model that often shows the names of managers and departments.

What is an organization?

An organization is a group of people who work under a common leadership towards common goals.

Equinor (former Statoil) is an example of an organization. They are organized like this



[Organisation in Equinor. Find out more](#)

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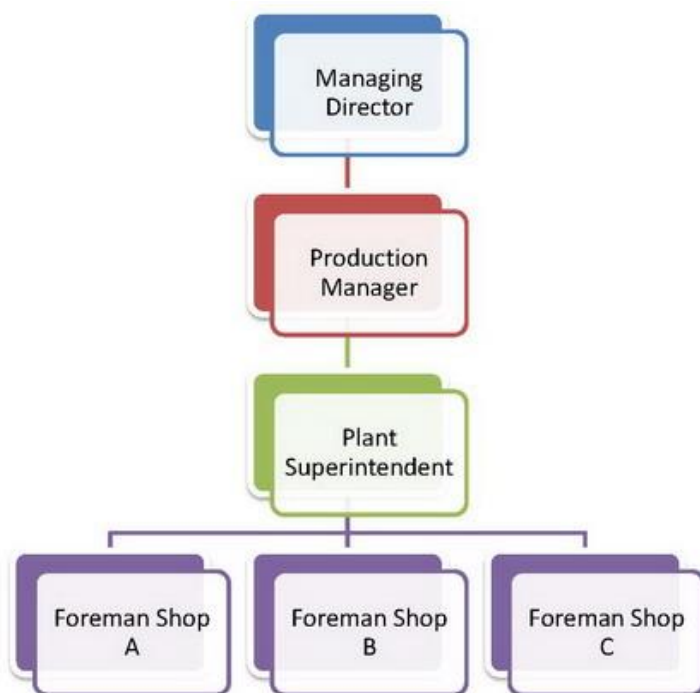
8. Organization plan

The pattern that is formed in the company when we divide the employees into groups and departments, we call the organizational plan. The plan sets out how the work tasks are distributed. The overview often shows the names of the departments and often the names of the managers.

Instead of the word organizational plan, we also use the word organization chart.

The following drawing shows an example of an organizational plan. The company is organized so that the higher up the hierarchy you come, the more responsibility (duties) and authority (right to decide) you have. We say that the structure is hierarchical.

Line organization



picture from Fønix As

Is an organizational plan needed when starting a business?

When you start a new business, you rarely have many partners, maybe just one. Then you do not need to make any large organizational plan.

You should nevertheless describe which tasks to do and who should do what. This applies even if you and your partner are good friends. A friendship is something we take care of. If we only have oral agreements, all experience shows that we easily forget what has been agreed. We often "remember" only what benefits ourselves.

Resources

<https://blog.hubspot.com/sales/how-to-become-an-entrepreneur>

<https://business-planner.online/>

<https://www.blogher.com/feature/best-2021-business-planner-11442/>

[SWOT Analysis Video - Strategy skills training \(mindtools.com\)](#)

[Business Model Canvas Template | Miro](#)

9.0 ASSESSMENT QUESTION

Question 1.

Why is it important to create a business plan?

Answer:

1. Because I need to know who to hire?
2. Because it costs a lot of money to start up.
- 3. Because it acts as a working document and a plan for the business**

Question 2.

What can you use a business plan for?

Answer:

1. Convince my friends it's a good idea.
- 2. Submit as documentation to build trust with investors.**
3. Determine purchase for startup.

Question 3.

What is important to consider when choosing premises for your business?

Answer

- 1. It is important to think about if I need stock, parking what the business needs. And whether I want store premises that are centrally located.**
2. If there's air conditioning there.
3. If there's a garage for my car.

Question 4.

Can the business plan be used for a market analysis?

Answer.

- 1. Yes**
2. No
3. yes, if you know the market.

Question 5.

What is a SWOT analysis?

- 1. Show strengths, weaknesses, potentials and threats.**
2. Decide where to establish yourself.
3. Shows you how many customers you get.

Question 6

What is a vision?

1. A vision is just a dream.
- 2. A vision is a goal and thought about the future of the business.**
3. A vision is an anne form of business plan.

Question 7.

What should a business model describe?

- 1. A logical description of how to create, deliver, and hijack values!**
2. Hopes for the future
3. Overview of how much you'll sell

Question 8.

What must be documented by obtaining financing partners?

1. How much does it cost to take a vacation?
- 2. That you have a good overview of what you need for capital to start up.**
3. That you've never had a business before.

Question 9

What is Crowdfunding?

- 1. A new way to raise money for projects.**
2. Collections are in large groups with physical attendance
3. Is a scheme to help businesses that have gone bankrupt.

Question 10.

What do you investigate with market research?

1. If it's possible to sell your wares at a market in the city.
- 2. Whether there are enough customers in the market who want to buy your products.**
3. To make customers pay as much as possible for my goods.