



In partnership with



Business Planning

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General aim of the course



This course is designed to provide you with the knowledge to start and develop your own social enterprise



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Testing learning

No formal exams will take place: learning will be measured by the following:

- A commitment to participate in discussions and group activities
- Completion of a reflective task as homework
- The development of a portfolio
- The use of a social media site to blog about your learning



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The session's learning goals

At the end of this session you should be able:

- To explain the important elements of a business plan
- To develop a business plan for a social enterprise business
- To reflect upon what you have learnt by writing a business plan draft



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All social enterprises need.....

A founder who is expert in their field & people to back the founder, preferably a team

Good research on the market they are entering & the competition

Careful preparation & budgeting for the new venture to avoid any risks & to offer a good service from day one



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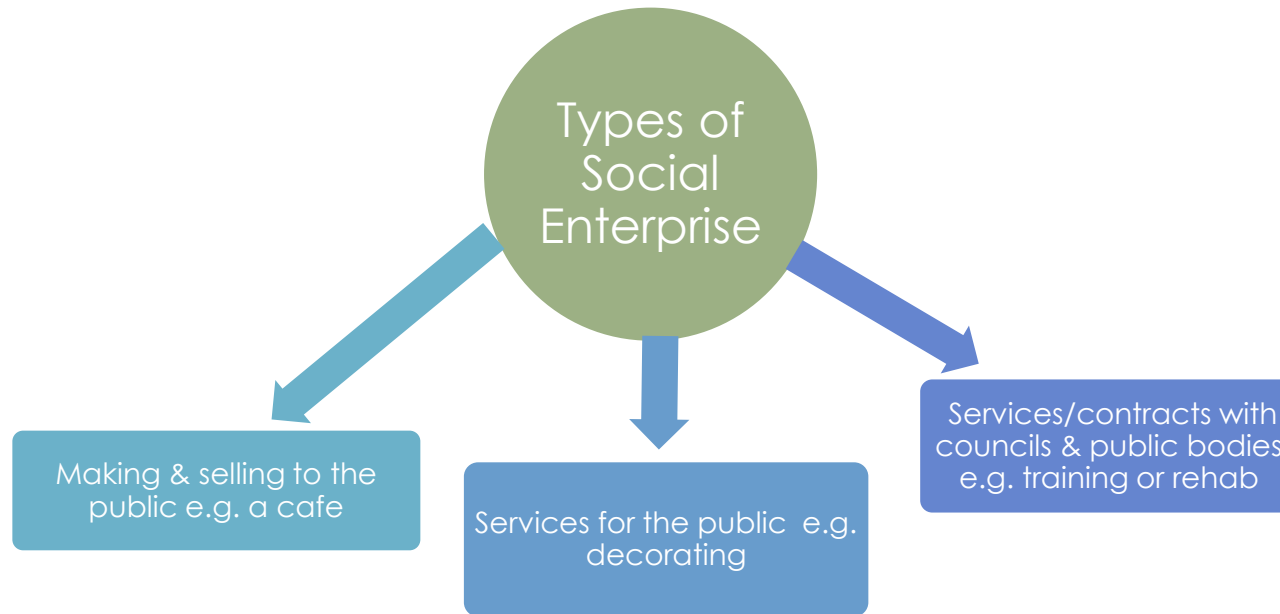


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What type of social enterprise do you want to start?



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Making & selling to the public

Product

What is your product, how are you designing or making it, how will you ensure high quality? Have you done a trial manufacture? Have you had any customer feedback?

Finance

Have you worked out your costs to produce each item? What are your fixed costs? Can you use pop up shops or stalls? What price will you charge & what profit will you make? What price does the competition charge?

Sales

How are you selling this? Have you got a marketing plan ? Have you done a pilot? Any lessons? Have you got any recommendations? A web site? Special offers?



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Selling services to the public

Service

What is your service? How are you delivering this ? How will you ensure high quality? Have you done a trial offer? Have you had any customer feedback?

Finance

Have you worked out your costs? Can you get discounted materials? What price will you sell for & what surplus will you make? What are your competitors charging?

Sales

How are you selling your services? Word of mouth? Have you done a pilot? Any lessons? Have you got any references or photos of work done?



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Selling services (on contract) to councils & other public bodies

Service

What exactly is your service? How are you delivering it? Have you got experience in this area? How will you ensure high quality? Have you read the contract details? Is it payment on results only?

Finance

Have you worked out your costs & income? If it is payment on results can you achieve enough results to break even ie cover your costs? What are your competitors charging? When do you get paid? How will you maintain healthy cash flow so you can pay bills?

Bidding

Have you got help to write the bid or joined any service consortia? Have you attended briefing sessions or contacted the bid officer? Have you got a track record to cite? Can you show what added value you bring?



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Business plan

- You will need to write a Business Plan to show what you are doing & to convince funders.
- You can use templates from these sources (see next slide)
- Discuss your business plan with other people to see what they think



You will need to find & apply for possible sources of funds.....

- SEEDS (small amounts only)
- UnLtd <http://unltd.org.uk>
- Prince's Trust (if you are under 25) http://www.princes-trust.org.uk/need_help/grants.aspx



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Financial section of your Business Plan

The Financial Plan should show:

- how you will generate funds & resources
- how you provide value for money

Demonstrate your financial plan by drawing up realistic:

- Budgets, with a profit & loss forecasts
- Cash flow, which forecasts your money flows in and out month-by-month

Note: Then normal payment period for invoices is 30 days but many large companies & agencies delay this



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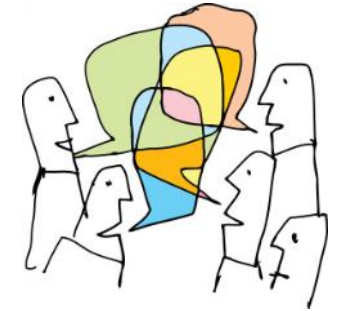


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Group work: Answer these Business Plan questions



Who are your beneficiaries or customers?

What services or products will you provide or sell in terms of content, frequency, staffing, premises etc. ?

Will service users or an agency pay for this service? If not list your plans for finance.

What partnerships will be useful & how can you build them?

What experience do your directors & staff have?



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Answer these business plan questions to show your expertise & knowledge

What specific social problem does your project target? What is the scale & prevalence? What are the causes? Do you have the right skills and personality to tackle this problem?

Describe the past experience of service users? What has succeeded or failed? What is different about your approach?

Describe other approaches to solving the social problem, that have been tried elsewhere or before



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How to calculate start up

- What equipment do you need to start?
- Do you need a float or some working capital for running costs?
- Can you get any free resources (e.g. volunteers) or space?
Can you start off working from home?
- What resources can you use in place of money?

(Remember the less you spend, the less you have to beg or borrow)



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Specimen budget

Social Enterprise Budget 2013		Annual Expenditure	
	Jan 2013- Dec 2013		
Annual Income		Director	24000
Education Contract	3000	Lead Mentor	20000
Social Services Contract	20000	Coaching	2000
Other school contracts	6000	Staff/Volunteer training	550
New contracts (tbc)	2000	Activities	500
Donations	4000	Nat Ins/Pension	8360
Grant from ES Fund (tbc)	20000	Staff travel	150
New grants (tbc)	3500	Stationery/Photocopier	400
		Telephone/post	500
Total Income	£58,500	Volunteers Subsistence	200
		IT Software etc	200
		Rent/Rates/Utilities	485
		Auditors	500
Forecast Surplus/(Deficit)	£155	Insurance	500
		Total Expenditure	£58,345



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Cash flow forecast

Cash Flow Projection Social Enterprise 2013													
INCOME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Education Contract		750			750			750			750		3,000
Social Services Contract	12,000							8,000					20,000
Other school contracts		1,500			1,500			1,500			1,500		6,000
Other contracts	334		333		333		333		333			334	2,000
Donations	1,333					1,333						1,333	4,000
Grant ES Fund	10,000						10,000						20,000
Other Grants				3,500									3,500
Total Income	23,667	2,250	333	3,500	2,583	1,333	10,333	10,250	333	0	2,250	1,667	58,500
EXPENDITURE	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Director	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Lead Mentor	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
NI/Pension	697	697	697	697	697	697	697	697	697	697	697	697	8,360
Coaching	167	167	167	167	167	167	167	167	167	167	167	167	2,000
Staff travel	13	13	13	13	13	13	13	13	13	13	13	13	150
Stationery/Photocopy		67		67		67		67		67		67	400
Telephone/post		125			125			125			125		500
Volunteers Subsistence		50			50			50			50		200
Staff Volunteer Training		110		110			110			110		110	550
IT Software etc.		50			50			50			50		200
Activities	100		100			100			100		100		500
Rent/Rates/Utilities	40	40	40	40	40	40	40	40	40	40	40	45	485
Auditors												500	500
Insurance	500												500
TOTAL EXPENDITURE	5,183	4,985	4,683	4,760	4,808	4,750	4,693	4,875	4,683	4,760	4,908	5,260	58,345
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Surplus / (Deficit)	18,484	-2,735	-4,350	-1,260	-2,225	3,416	5,640	5,375	-4,350	-4,760	2,658	3,593	
Carried forward	18,484	15,749	11,390	10,139	7,914	4,498	10,138	15,513	11,163	6,403	3,745	152	

You may need to download budget templates & business plans from.....

- UnLtd <http://unltd.org.uk>
- Health & Social Care Micro Enterprises <http://www.communitycatalysts.co.uk>
- Charity Retail Association <http://www.charityretail.org.uk>
- Furniture Reuse Network <http://www.frn.org.uk>



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Around the world in 30 minutes



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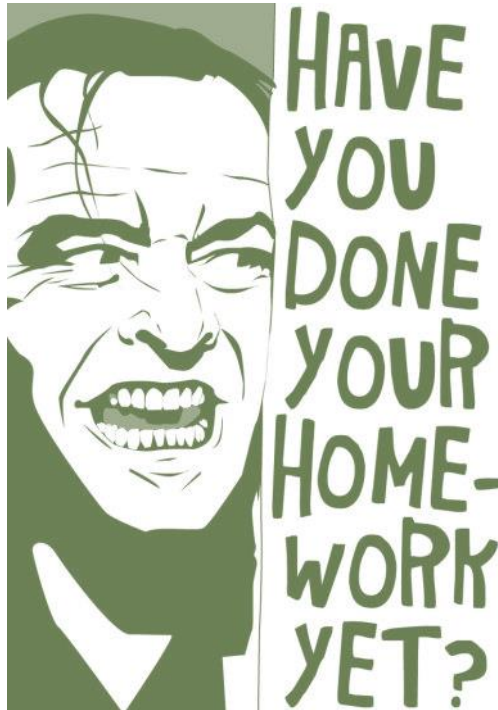


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Homework



Please complete all these questions and tasks in the work book:

- What actions do you need to take to set up your business?
- Draw up a list of items you need to buy to start your social enterprise
- Look at the cash-flow statement on the slides: what do you understand by income, expenditure, surplus/deficit and carried forward



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Conclusion

We have covered in this session:

- The important elements of a business plan
- Developing a business plan for a social enterprise business
- The financial aspects of a business plan such as start up cost, budgets and cash-flows



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Group Quiz & Prizes

Everyone is a winner!



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References and Bibliography

- Martin F and Thompson M (2010) *Social Enterprise Developing Sustainable Businesses*, Basingstoke, Hants, Palgrave Macmillan
- Burns P (2011) *Entrepreneurship and Small Business Start-up Growth and Maturity*, Basingstoke, Hants, Palgrave Macmillan



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