



CENTRAL BANK OF EGYPT
Egyptian Banking Institute

Moving Forward With Confidence

Successful Business Plan

Ahram Canadian University
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Objectives

By the end of this session, you will be able to:

- Determine the importance of preparing a business plan
- Recognize the main structure of setting a reliable and realistic business plan
- Develop a complete business plan for your business idea.



Business Plan

- **What?**

- Roadmap
- Self-checking tool
- Funding tool
- Operating guide

- **Why?**

- 1,000,001 questions
- Infinite number of possibilities
- Distractions galore

- **How Long?**

- 6-9 pages for the narrative, plus financials/ appendices



General Rules

- Make it an interesting read!
 - Bullet points
 - Balance creativity while still getting your point across
 - Use short (1-3 sentence) paragraphs
 - Be careful with using industry jargon
- Write with objectivity
 - Consider using the third-person
- Focus more on initial future (1-2 years), less on later years



Outline of a Business Plan

1. Business Description
2. Market Analysis
 1. Customers
 2. Competition
 3. Marketing Strategy
3. Management
4. Operations/Technical Analysis
5. Financial Plan



1- Business Description

- Mission statement
- Legalities: business type
- Basic product or service description
- New, takeover, expansion, franchise
- General strategy plan
 - List of planned milestones (business formation, opening date, hiring employees, reaching certain revenue goals)
- Planned strategic alliances
- Work already done
- **Experience in the business**



2- Market Analysis

- Industry analysis
- Customers: individual, business
- Competition
- Marketing Strategy
- **Expected Demand.**



Market Analysis: Customers

- Customer definition, consistency
- Individual customer demographics
 - Location, age, gender, occupation
 - Ethnic group, lifestyle, education, income
- Business customer demographics
 - Sector, location, structure
 - Sales level, distribution classification, number of employees



Market Analysis: Competition

- Rule of Three for Competitive Study
 - Why your company is superior
 - Trends in competitive companies
 - Similar and dissimilar
 - SWOT (strengths, weaknesses, opportunities, threats)
 - Lessons learned
 - Advertising
 - Eye on the future



Competitive grid and explanation

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Estimating the Size of the Market

- Previous data will help to reach the size of the potential buyers of the project, or what is called the size of demand for the product or service.
For example, assume that the project offers the service for children from the age of 10-16 years, and after analyzing the population of the region found that the number of this age group in the region are 5,000 people, and analyzed the level of income found that 15% of them are able to pay the price, and that the rate of increase in births per year is 2%.
- This information can be analyzed to reach the size of the target market for the product that I will produce, as well as future trends in this market.



Market Analysis: Marketing Strategy

- Obtaining a profitable share of the entire marketplace
 - Product: sellable aspects, brand image
 - Pricing: cost-plus or economic value
 - Placement / Places
 - Promotion



3- Management

- Roles and responsibilities.
- Job descriptions of the decision makers
- “I do everything!”
- Compensation, benefits
- Contribution and background as leverage to perform



4- Operations/Technical Analysis

- 1 - Site.
- 2 - land and buildings.
- 3 - The optimal size of the project.
- 4 – Layout of the production process.
- 5 - Machinery and equipment.
- 6 - Energy production .
- 7 - Methods of production.
- 8 - Raw materials and operating requirements.
- 9 - Technology and Quality.



5- Financial Plan

- THE PRIMARY EVALUATING TOOL
 - Support all information
 - Make conservative projections
- Start-up Budget: amount needed to open
- Operating Budget: ongoing expenses once open
- Sources and Uses Sheet



Methods of Financing

- Personal funds
- Family/ friend loans and gifts
- Angel investor
- Venture capital
- Grants
- Personal loan
- Business loan



Financial Plan: Startup Budget

- Personnel (costs prior to opening)
- Occupancy (lease, rent, or mortgage)
- Legal/ Professional Fees
- Equipment
- Supplies
- Salary/ Wages
- Utilities
- Payroll Expenses
- Internet
- Licenses/ Permits
- Insurance
- Advertising/ Promotions



Financial Plan: Operating Budget

- Personnel
- Lease/ Rent/ Mortgage
- Loan Payments
- Legal Fees
- Accounting
- Supplies
- Salaries/ Wages
- Repairs/ Maintenance
- Insurance
- Advertising/ Promotions
- Depreciation
- Payroll Expenses
- Internet
- Travel/ Entertainment
- Miscellaneous
- 3-6 Months of Operating Capital



Financial Plan: Sources and Uses

- Sources of funds
- Details of requested financing
 - Amount
 - Use
 - Terms



Cash Flow Sheet

CASH FLOW PROJECTION

Year One

| Month | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total |
|-------------------------------|---|---|---|---|---|---|---|---|---|----|----|----|-------|
| Cash In-Flows | | | | | | | | | | | | | |
| Sales | | | | | | | | | | | | | |
| Other Income | | | | | | | | | | | | | |
| Total In-Flows | | | | | | | | | | | | | |
| Cash Out-Flows | | | | | | | | | | | | | |
| Cost of Goods Sold | | | | | | | | | | | | | |
| Rent/ Mortgage | | | | | | | | | | | | | |
| Owner's Salary | | | | | | | | | | | | | |
| Other Salaries | | | | | | | | | | | | | |
| Advertising/ Promotion | | | | | | | | | | | | | |
| Utilities | | | | | | | | | | | | | |
| Loan Payments (current) | | | | | | | | | | | | | |
| Loan Payments (previous) | | | | | | | | | | | | | |
| Telephone | | | | | | | | | | | | | |
| Office Expense | | | | | | | | | | | | | |
| Dues/ Subscriptions | | | | | | | | | | | | | |
| Accounting | | | | | | | | | | | | | |
| Insurance | | | | | | | | | | | | | |
| Professional Fees | | | | | | | | | | | | | |
| Internet | | | | | | | | | | | | | |
| Repairs/ Maintenance | | | | | | | | | | | | | |
| Licenses/ Permits | | | | | | | | | | | | | |
| Travel/ Entertainment | | | | | | | | | | | | | |
| Legal Fees | | | | | | | | | | | | | |
| Bank Charges | | | | | | | | | | | | | |
| Miscellaneous | | | | | | | | | | | | | |
| Total Out-Flows | | | | | | | | | | | | | |
| Beginning Cash Balance | | | | | | | | | | | | | |
| Ending Cash Balance | | | | | | | | | | | | | |



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Income Statement

Pro-Forma Income Statement

| | Year | 1 | 2 | 3 |
|---------------------------------|------|---|---|---|
| Sales | | | | |
| Less: Cost of Goods Sold | | | | |
| Gross Profit | | | | |
| Operating Expenses | | | | |
| Rent/ Mortgage | | | | |
| Owner's Salary | | | | |
| Other Salaries | | | | |
| Payroll Taxes | | | | |
| Advertising & Promotion | | | | |
| Telephone | | | | |
| Office Expense | | | | |
| Dues and Subscriptions | | | | |
| Accounting | | | | |
| Insurance | | | | |
| Professional Fees | | | | |
| Internet | | | | |
| Repairs & Maintenance | | | | |
| Licenses & Permits | | | | |
| Travel & Entertainment | | | | |
| Legal Fees | | | | |
| Bank Charges | | | | |
| Miscellaneous | | | | |
| Depreciation | | | | |
| Amortization | | | | |
| Interest | | | | |
| Total Operating Expenses | | | | |
| Net Profit Before Taxes | | | | |



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Net Profit Before Taxes

Summary

By the end of this session, you became able to:

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THANK YOU



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