



## Seattle Pacific University

### Social Venture Plan Competition

#### Business Plan Template

This document is a guide for students developing a Social Venture Plan for SPU's Social Venture Plan Competition (SVPC). The template contains the basics of a business planning process and is a tool for guiding students through the development of their plan. We recommend that this template be used in conjunction with other more detailed resources. The items in *[brackets]* after some section headers refer to the Business Model Canvas.

The planning begins by defining the enterprise, including the social issue being addressed. Clarity on the definition is essential. Please spend adequate time to do this. Defining the enterprise carefully helps the social entrepreneur to evaluate both the business enterprise (or revenue generator) as well as the social need being addressed. The end result will be a business plan that fully defines a social enterprise.

#### I. **Executive Summary** *[Write this last after you complete the plan]*

This should be an accurate and concise summary of all parts of your social venture plan. It should be written to capture the reader's interest and compelling enough to make them want to read further.

1. Briefly tell your reader what the purpose of your social venture is and why it will be successful.
2. Include your mission statement, the social problem you are addressing, and how you will accomplish this with your product or service.
3. Also include the basic information about your venture's leadership team, employees, and location.
4. You should also include financial information and plans for financial sustainability and growth.

#### II. **Introduction (Overview)**

1. Description of your social venture
  - Why are you starting your social venture?
  - What benefits does it provide and to whom?
  - Who will be your primary customers?
  - How will your venture become successful and financially sustainable?
2. Vision Statement
  - Describe in a sentence the problem you want to help solve or the opportunity you want to create (e.g., preserve the Amazon rainforest).
3. Mission Statement
  - Describe in 25 words or less what you want to do (e.g., feed the hungry in King County) and the business enterprise/profit generator (e.g., produce organic

baby garments and use profits to aid children/families in Bangladesh).

#### 4. Strategy Statement

- Describe how you will go about doing what you want to do (e.g., who the business will serve, the specific products and services you will provide)
- What market need does your product or service meet?
- What is the basic activity of the social venture?
- Will your venture focus on manufacturing, retail, or service?
- What goods or services will it provide?
- What is it about your product or service that makes it different from others currently available (e.g., location, taste, quality, price, etc.)?
- What social impact or transformation in people's lives do you want to make?

#### 5. Financial Statement

- What are your expected sales for the first four years in units and dollars?
- Describe the major expenses and revenues associated with the social venture. Include your sources of funding and initial investment. (It is good to begin early to identify these expenses. Simply keeping an ongoing list of expected expenses will help you finalize your financial spreadsheets later.)
- Include an income statement, a balance sheet, and a cash flow statement projected over four years (worksheet can be found in Financial Workbook for the Social Venture Plan Competition).

### III. **Social Impact** [*= Canvas Value Proposition*]

How will you determine the success of your venture with respect to your mission statement?

1. What measurements or metrics will you use (e.g., number of clients fed; number of clients without hunger; number of clients earning livable wages)?
2. What are the 3-5 keys to success in this business – those factors that are really important to those you serve?
3. How will you report these to your investors, donors, and external audiences?

### IV. **Market Research:** [*= Canvas Targets, Relationships, Pathways*]

Develop a clear understanding of the market you will be serving (i.e., the target market) and how you will reach that market. With respect to social ventures, the market will be both a social or human need and a product or service. Think about the following questions:

1. What specifically will you offer to your customers?
  - How many products or services will be in your product line?
  - How will you brand your product or service?
  - What qualities and features will be a part of the product?
2. How will you identify your customers (buyers) and clients (recipients) and the extent of their needs?
  - Identify important demographics, psychographics, etc. Include size of market (e.g., number of people needing the service).

- How easy is it to enter this market?
  - What is your customer acquisition strategy? What is the cost of acquisition per customer?
  - Are there barriers or obstacles to providing this product or service?
3. What other organizations, if any, serve the same group or a similar group of people? In other words, is there competition?
    - Briefly describe what they do and how well they do it.
    - How different is your product/service and social service from what is currently available? What advantages does your products/service bring that others do not? How does your product or service compare to those of other organizations in terms of the keys to success?
  4. What are the important cultural, political, social, and economic factors influencing your ability to serve your client group?
    - Briefly describe what these factors are, their relative importance, and how you will deal with them.
  5. Describe the industry or industries with which your venture is associated.
    - How large is the industry?
    - What are the total sales for the industry in volume and dollars?
    - Is the industry mature or are new ventures successfully entering it?
    - What opportunities exist in the industry? What threats?
    - What factors will influence future expansion or contraction of the industry?
    - What is the overall outlook for the industry?
    - Who are your major competitors in the industry?
    - How does your product or service differ from those of your competitors?
  6. How will price your product or service?
    - What will be your general approach to pricing?
    - At what price can you make and sell the product or services so you will cover all costs (including the repayment of your initial investments and any debt)?
    - How will you incorporate customer perception and competitor reaction?
    - Will you offer price promotions?
  7. What are your options for advertising and promoting your product or service?
    - What media is most appropriate for your target audience?
    - How specifically will you use public relations, social media, and word of mouth?
    - How will you determine an advertising and promotional program and its costs?
    - What will the cost be to carry out the program?

**V. Production and Distribution** [*= Canvas Key Activities, Key Resources, Partnerships*]

1. What are the specifications of the product or service and the social service?
2. How will the product/service be produced? The social service?
  - What fixed assets (plant, equipment, etc.) will you need and how much will it cost?
5. How will the product/service be distributed? The social service?

- What is the distribution strategy? Direct or indirect?
  - How many intermediaries and what type will you use?
6. Where specifically will you conduct operations?
  7. What are the elements of your supply chain?
    - Who will supply raw materials and from where?
  8. Who will be needed to carry out the functions of the organization (e.g., employees) over the duration of the plan?
    - How many?
    - Include an organizational chart.
    - What will be the cost of recruiting employees?
    - Where will you find the needed employees?
    - What special skills, if any, will these employees need?
    - What preparation/training will be needed by employees to deliver the service/product?

**VI. Finance and Risk Analysis:** [*= Canvas Expense Structure and Revenue Stream*]

Finally, the plan should address the questions of financial viability and risk surrounding the enterprise, both qualitative and quantitative.

1. Is your enterprise financially viable and sustainable? Explain.
2. What is the potential for the venture to receive financial support from additional investors/donors (including opportunities for funding from foundations, social venture funds, angel investors, and venture capitalists)?
3. Describe the rigor and feasibility of the venture's financial model and goals.
  - What assumptions are you making?
4. Discuss the potential for follow-on funding in order to grow the venture through self-sufficiency or profitability.
5. Qualitative risk analysis: (i.e., what might cause your project to fail?)
  - What are the major risk factors in the enterprise?
  - How did you identify them?
  - How will you mitigate these risks?
6. Quantitative risk analysis:
  - What do you expect your financial resources to be in two or three years?
  - If your initial plans do not work, what alternatives do you have for the organization?
  - When do you expect the venture to be sustaining (i.e., when will earned revenues cover or exceed expenses)?

