Business Plans for Social Entrepreneurs


Why do you need a business plan?

- Internal blueprint for the enterprise
  - The social entrepreneur
  - Current and potential volunteers
  - Board members
- A representation of the venture to the outside world
  - Actual and potential funders
  - Government officials
  - The community
Components of the business plan

- Executive Summary
- Description of the enterprise
- The team
- The market and industry
- Marketing and fundraising
- Financial plan
- Goals and objectives
- Risks assessment
- Supporting documents

Executive Summary

- What is the venture?
- Why is it new and important?
- Who will benefit from it, and how?
- How will the idea be executed?
- Who is the social entrepreneur, what unique skills, service or background do they bring to the venture
- What kind of support is needed, and how much?
- What will constitute success?
- This is written AFTER the other parts
Description of Enterprise

- The idea, and why it is an authentic opportunity
- The mission statement
- Definition of value, and how it is to be measured
- Key innovations or adaptations
- Competitive advantage
- Legal structure
- Current status

The Team

- Management
- Board of Directors (Trustees)
- Advisors
- Early donors/supporters
The Market and Industry

- What is the sector in which you are engaging?
- Who is being targeted?
  - What is the size of the market?
  - What other organizations are serving this market?
- What evidence do you have that this is viable?

Marketing and Fundraising

- How will you attract resources to grow and sustain your enterprise?
- Fundraising targets and strategies
- Grant-writing plans
- Pricing plans
- For-profit activities
- Marketing
- Non-financial aspects of your enterprise
Financial Plan

- Financial needs for three to five years
- Financial projections
- Income statement
- Cash-flow projections
- Balance sheet

Goals and Objectives

- Definition of success
- Intermediate goals and success measures
- Evidence that goals can be achieved
- Timeline
  - Beginning date
  - Incorporation date
  - Hiring, space and equipment acquisition
  - Start of service delivery
  - Beginning of cash flow from fees, grants & donations
  - Enterprise growth milestones
  - Goal attainment
Measuring Social Value Creation

- Accountability
- Evaluation
- Outcomes and impacts
- Effectiveness
- Social Return on Investment
  - Blended Values (Emerson)
- Drucker

Risk Assessment

- Financial risks
- Legal risks
- Talent risks
- Environmental risks
  - Political and government
  - Economic
  - Demographic
- Other
- Alternative strategies
Supporting Documents

- Resumes for key participants
  - Management
  - Board
- Data sources cited
- References for literature cited

Pitfalls

- Failure to communicate realistic goals
- Failure to anticipate problems
- Lack of commitment to the venture
- Lack of experience/skills
- Failure to demonstrate market niche
- Appearance of plan – too slick/sloppy
- Not getting to the point
- Unrealistic financial projections
- Current state of development
Resources

- [www.ventures.yale.edu](http://www.ventures.yale.edu)
- [www.ventures.yale.edu/competition_winning_business_plans.asp](http://www.ventures.yale.edu/competition_winning_business_plans.asp)