

**EU INNOVATIVE
ENTREPRENEURSHIP**

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Business Planning

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Before we start

- Identify Emergency Exits
- Turn mobile phones off or put on silent
- Break times
- Respect each other
- Do not be afraid to ask questions
- Get involved !



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About Innovative Entrepreneurship project

European Union funded Innovative Entrepreneurship project contributes to the development of a more conducive **entrepreneurship ecosystem and improve the innovation culture** in the Turkish Cypriot community.

For more detailed info www.inovatif.eu



inovatif Girişimcilik / Innovative Entrepreneurship



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Contents of this Workshop

- What is a Business Plan?
- What are the key components of a Business Plan?
- Cash Flow Forecasting
- Why is a Business Plan important?
- What does a Business Plan look like?



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Ice breaker



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What is a Business Plan?

A Business Plan is a written document detailing what you plan to do with your business and how you plan to do it



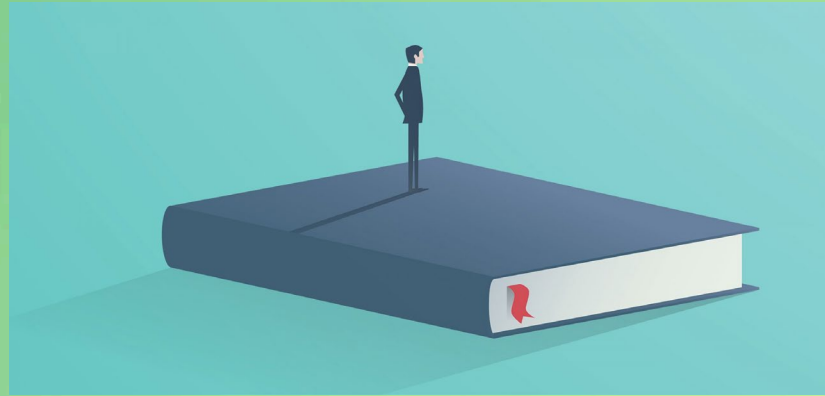
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What is a Business Plan?



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What are the key components of a Business Plan?



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Key components of a Business Plan

Executive
Summary

- Short and concise overview of the business
- Highlight purpose of plan
- Written last



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Key components of a Business Plan

Introduction
&
Background

- Basic introduction to business
- Outline of business idea
- Background on entrepreneur and relevant experience



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Key components of a Business Plan

Products
/
Services

- Description of product or service and prices
- Use photos if appropriate
- Identify your Unique Selling Point(s)



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Key components of a Business Plan

Marketing

- Market Research undertaken
- Target markets identified
- How will business be promoted
- Include branding and sample materials
- Competitors



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Key components of a Business Plan

Operations

- Information on premises
- Start up costs (capital)
- Insurance
- Legal issues



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Key components of a Business Plan

People

- Employee details and costs



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Key components of a Business Plan

Finance

- Cash Flow Forecast
- Projected Profit & Loss statement
- Assumptions



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Key components of a Business Plan

Appendices

- Quotations for Capital Equipment
- Letters of intent
- Permits /licenses
- Rental Agreements
- Other legal documents



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Cash Flow Forecasting

*Cash flow forecasting, is a method of estimating the **flow** of **cash** coming in and out of a business, across all areas, over a given period of time eg 1 Year*



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Cash Flow Forecasting



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Mr ABC

T/A ABC ENTERPRISES

Projected Cash Flow Statement - Year 1

	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
INCOME													
Cash	2,000	3,000	3,080	3,840	3,760	4,320	4,880	4,440	3,560	3,320	3,080	3,640	42,920
Debtors	0	0	200	200	200	100	400	600	800	1,000	1,200	1,200	5,900
TOTAL	2,000	3,000	3,280	4,040	3,960	4,420	5,280	5,040	4,360	4,320	4,280	4,840	48,820
EXPENDITURE													
Materials	0	80	120	120	140	140	140	160	160	190	190	190	1,630
Wages & NIC	10	10	10	10	10	10	10	10	10	10	10	10	120
Rent & Rates	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Tel/Internet	25	25	25	25	25	25	25	25	25	25	25	25	300
Postage/Stationery	0	15	0	0	0	15	0	0	0	15	0	0	45
Adv. & Promotion	465	0	0	0	0	0	0	0	0	0	0	0	465
Heat & Power	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	30	30	30	30	30	30	40	40	40	40	40	40	420
Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundries	50	0	0	0	0	0	0	0	0	0	0	0	50
Insurance	20	20	20	20	20	20	20	20	20	20	20	20	240
Bank Interest/Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Interest	0	20	20	20	20	20	20	20	20	20	20	20	220
Drawings	1,000	2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	33,000
TOTAL	1,800	2,400	3,425	3,425	3,445	3,460	3,455	3,475	3,475	3,520	3,505	3,505	38,890
CASH INTRODUCED													
Own Investment	500	0	0	0	0	0	0	0	0	0	0	0	500
Loans	1,500	0	0	0	0	0	0	0	0	0	0	0	1,500
Grants	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000
CAPITAL EXPENDITURE													
Adaptions to premises	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery/Equipment	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Repayments	0	100	100	100	100	100	100	100	100	100	100	100	1,100
TOTAL	2,000	100	100	100	100	100	100	100	100	100	100	100	3,100
MONTHLY BALANCE	200	500	(245)	515	415	860	1,725	1,465	785	700	675	1,235	8,830
OPENING BANK BALANCE	0	200	700	455	970	1,385	2,245	3,970	5,435	6,220	6,920	7,595	0
CLOSING BANK BALANCE	200	700	455	970	1,385	2,245	3,970	5,435	6,220	6,920	7,595	8,830	8,830



Cash Flow Forecast



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EXPENDITURE													
Materials	0	80	120	120	140	140	140	160	160	190	190	190	1,630
Wages & NIC	10	10	10	10	10	10	10	10	10	10	10	10	120
Rent & Rates	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Tel/Internet	25	25	25	25	25	25	25	25	25	25	25	25	300
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Drawings	1,000	2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	33,000
TOTAL	1,800	2,400	3,425	3,425	3,445	3,460	3,455	3,475	3,475	3,520	3,505	3,505	38,890

CASH INTRODUCED													
Own Investment	500	0	0	0	0	0	0	0	0	0	0	0	500
Loans	1,500	0	0	0	0	0	0	0	0	0	0	0	1,500
Grants	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000

CAPITAL EXPENDITURE													
Adaptions to premises	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery/Equipment	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Repayments	0	100	100	100	100	100	100	100	100	100	100	100	1,100
TOTAL	2,000	100	100	100	100	100	100	100	100	100	100	100	3,100

MONTHLY BALANCE	200	500	(245)	515	415	860	1,725	1,465	785	700	675	1,235	8,830
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Materials	0	80	120	120	140	140	140	160	160	190	190	190	1,630
Wages & NIC	10	10	10	10	10	10	10	10	10	10	10	10	120
Rent & Rates	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Tel/Internet	25	25	25	25	25	25	25	25	25	25	25	25	300
Postage/Stationery	0	15	0	0	0	15	0	0	0	15	0	0	45
Adv. & Promotion	465	0	0	0	0	0	0	0	0	0	0	0	465
Heat & Power	0	0	0	0	0	0	0	0	0	0	0	0	0
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Sundries	50	0	0	0	0	0	0	0	0	0	0	0	50
Insurance	20	20	20	20	20	20	20	20	20	20	20	20	240
Bank Interest/Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Interest	0	20	20	20	20	20	20	20	20	20	20	20	220
Drawings	1,000	2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	33,000
TOTAL	1,800	2,400	3,425	3,425	3,445	3,460	3,455	3,475	3,475	3,520	3,505	3,505	38,890
CASH INTRODUCED													
Own Investment	500	0	0	0	0	0	0	0	0	0	0	0	500
Loans	1,500	0	0	0	0	0	0	0	0	0	0	0	1,500
Grants	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000
CAPITAL EXPENDITURE													
Adaptions to premises	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery/Equipment	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Repayments	0	100	100	100	100	100	100	100	100	100	100	100	1,100
TOTAL	2,000	100	100	100	100	100	100	100	100	100	100	100	3,100
MONTHLY BALANCE	200	500	(245)	515	415	860	1,725	1,465	785	700	675	1,235	8,830
OPENING BANK BALANCE	0	200	700	455	970	1,385	2,245	3,970	5,435	6,220	6,920	7,595	0
CLOSING BANK BALANCE	200	700	455	970	1,385	2,245	3,970	5,435	6,220	6,920	7,595	8,830	8,830



Cash Flow Forecasting

	1	2	3	4
Monthly Balance	TL 200	TL 500	-TL 245	TL 515
Opening Balance	TL 0			
Closing Balance				



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Cash Flow Forecasting

	1	2	3	4
Monthly Balance	TL 200	TL 500	-TL 245	TL 515
Opening Balance	TL 0	TL 200	TL 700	TL 455
Closing Balance	TL 200	TL 700	TL 455	TL 970



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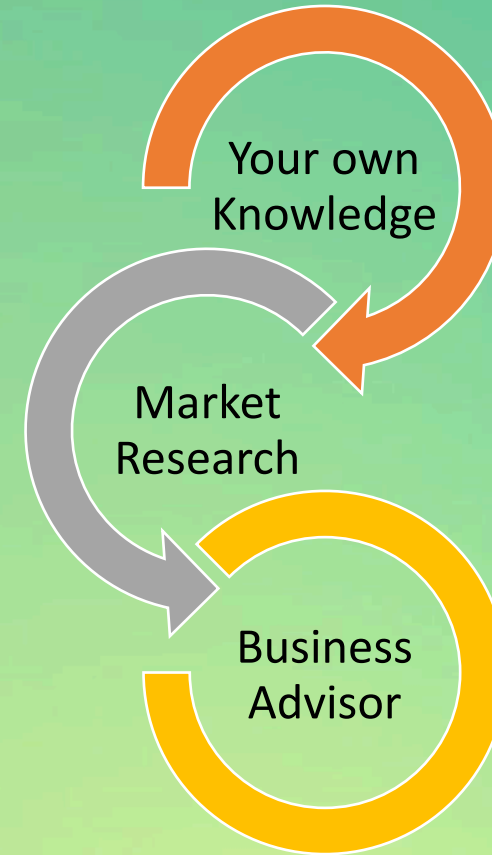


Mr ABC
T/A ABC ENTERPRISES

Projected Cash Flow Statement - Year 1

	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
INCOME													
Cash	2,000	3,000	3,080	3,840	3,760	4,320	4,880	4,440	3,560	3,320	3,080	3,640	42,920
Debtors	0	0	200	200	200	100	400	600	800	1,000	1,200	1,200	5,900
TOTAL	2,000	3,000	3,280	4,040	3,960	4,420	5,280	5,040	4,360	4,320	4,280	4,840	48,820
EXPENDITURE													
Materials	0	80	120	120	140	140	140	160	160	190	190	190	1,630
Wages & NIC	10	10	10	10	10	10	10	10	10	10	10	10	120
Rent & Rates	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Tel/Internet	25	25	25	25	25	25	25	25	25	25	25	25	300
Postage/Stationery	0	15	0	0	0	15	0	0	0	15	0	0	45
Adv. & Promotion	465	0	0	0	0	0	0	0	0	0	0	0	465
Heat & Power	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	30	30	30	30	30	30	40	40	40	40	40	40	420
Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundries	50	0	0	0	0	0	0	0	0	0	0	0	50
Insurance	20	20	20	20	20	20	20	20	20	20	20	20	240
Bank Interest/Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Interest	0	20	20	20	20	20	20	20	20	20	20	20	220
Drawings	1,000	2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	33,000
TOTAL	1,800	2,400	3,425	3,425	3,445	3,460	3,455	3,475	3,475	3,520	3,505	3,505	38,890
CASH INTRODUCED													
Own Investment	500	0	0	0	0	0	0	0	0	0	0	0	500
Loans	1,500	0	0	0	0	0	0	0	0	0	0	0	1,500
Grants	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000
CAPITAL EXPENDITURE													
Adaptions to premises	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery/Equipment	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Repayments	0	100	100	100	100	100	100	100	100	100	100	100	1,100
TOTAL	2,000	100	100	100	100	100	100	100	100	100	100	100	3,100
MONTHLY BALANCE	200	500	(245)	515	415	860	1,725	1,465	785	700	675	1,235	8,830
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CLOSING BANK BALANCE	200	700	455	970	1,385	2,245	3,970	5,435	6,220	6,920	7,595	8,830	8,830

Where do the Cash Flow Forecast figures come from ?



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Forecasting costs



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Tips for forecasting sales

Look at competitors – see if you can work out how many customers they are servicing

Use average prices if needs be to simplify – eg average customer spend 200TL per meal inc drink

Your own knowledge of industry / marketplace can help you establish what is achievable and what is not

Speak with potential customers to ascertain demand

Test trade your business to see levels of demand



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Forecasting sales

	Selling Price	MONTH	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
Product A	TRL 100	Units	2	2	0	4	6	8	10	2	4	6	8	10	62
		Income	200	200	0	400	600	800	1,000	200	400	600	800	1,000	6,200
Product B	TRL 200	Units	2	2	2	2	2	2	2	2	2	2	2	2	24
		Income	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Product C	TRL 400	Units	2	4	4	4	6	6	6	6	6	4	2	2	52
		Income	800	1,600	1,600	1,600	2,400	2,400	2,400	2,400	2,400	1,600	800	800	20,800
Product D	TRL 360	Units	1	2	3	4	1	2	3	4	1	2	3	4	30
		Income	360	720	1,080	1,440	360	720	1,080	1,440	360	720	1,080	1,440	10,800
		CASH INCOME	1,760	2,920	3,080	3,840	3,760	4,320	4,880	4,440	3,560	3,320	3,080	3,640	42,600
		Debtors	0	100	200	200	200	100	400	600	800	1,000	1,200	1,200	6,000
		TOTAL INCOME	1,760	3,020	3,280	4,040	3,960	4,420	5,280	5,040	4,360	4,320	4,280	4,840	48,600



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Cash flow forecasting for sourcing finance



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Projected Cash Flow Statement - Year 1

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Rent & Rates	200	200	200	200	200	200	200	200	200	200	200	200	2,400
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Adv. & Promotion	465	0	0	0	0	0	0	0	0	0	0	0	465
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Transport	30	30	30	30	30	30	40	40	40	40	40	40	420
Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundries	50	0	0	0	0	0	0	0	0	0	0	0	50
Insurance	20	20	20	20	20	20	20	20	20	20	20	20	240
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CASH INTRODUCED													
Loans	1,500	0	0	0	0	0	0	0	0	0	0	0	1,500
Grants	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000
CAPITAL EXPENDITURE													
Adaptions to premises	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery/Equipment	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000
Motor Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Repayments	0	100	100	100	100	100	100	100	100	100	100	100	1,100
Dividends	2,000	200	200	200	200	200	200	200	200	200	200	200	2,200
MONTHLY BALANCE	200	500	(245)	515	415	860	1,725	1,465	785	700	675	1,235	8,830
CLOSING BANK BALANCE	200	700	455	970	1,385	2,245	3,970	5,435	6,220	6,920	7,595	8,830	8,830

Why is Business Planning important?

Assess
viability

Can be used
to access
finance

Provides
direction and
focus

Clearly sets
out aims and
objectives

Sets targets

Identifies
potential
problems



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What does a Business Plan look like?



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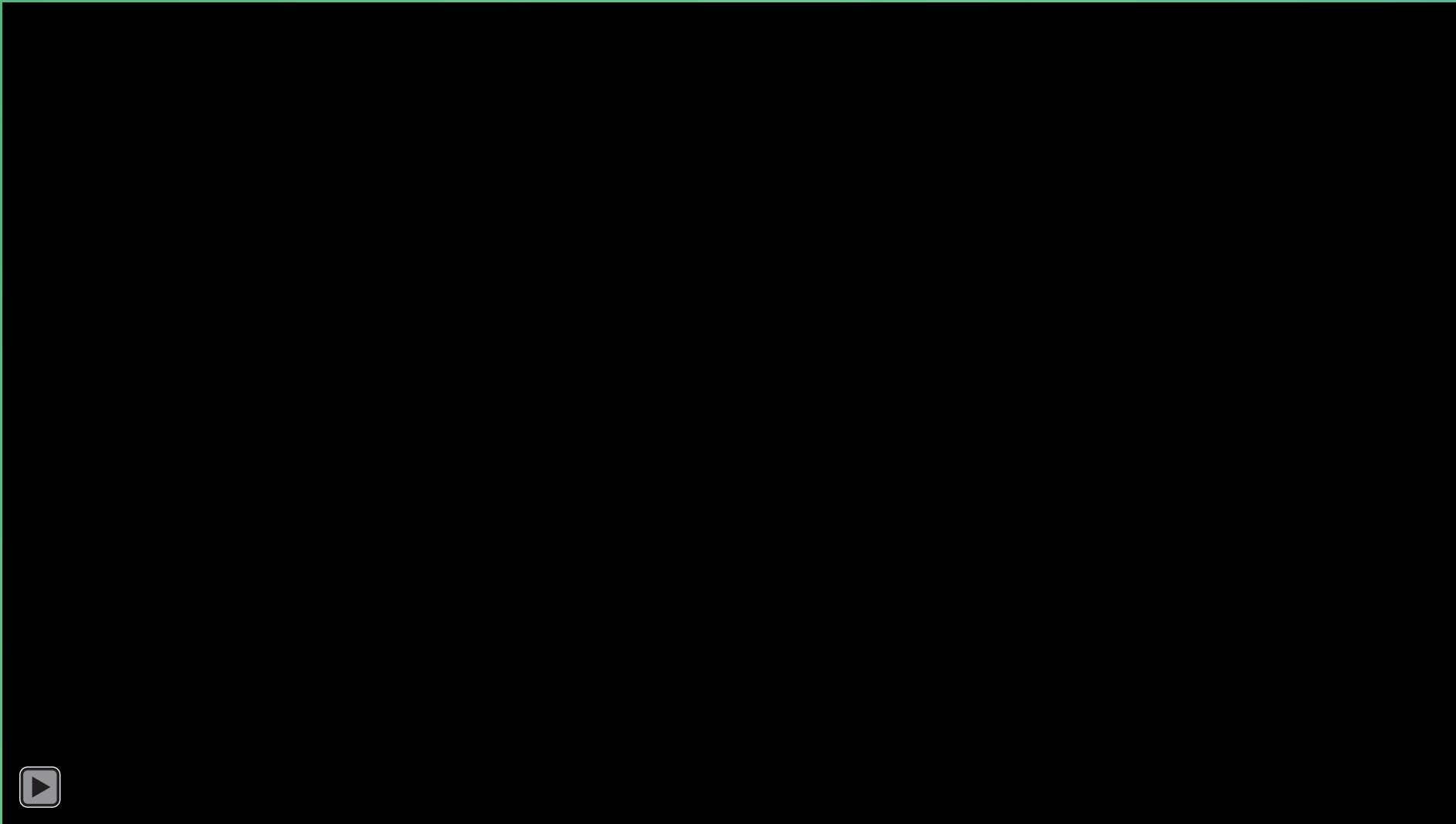


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What does a Business Plan look like?



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Summary

- What is a Business Plan?
- What are the key components of a Business Plan?
- Cash Flow Forecasting
- Why is a Business Plan important?
- What does a Business Plan look like?



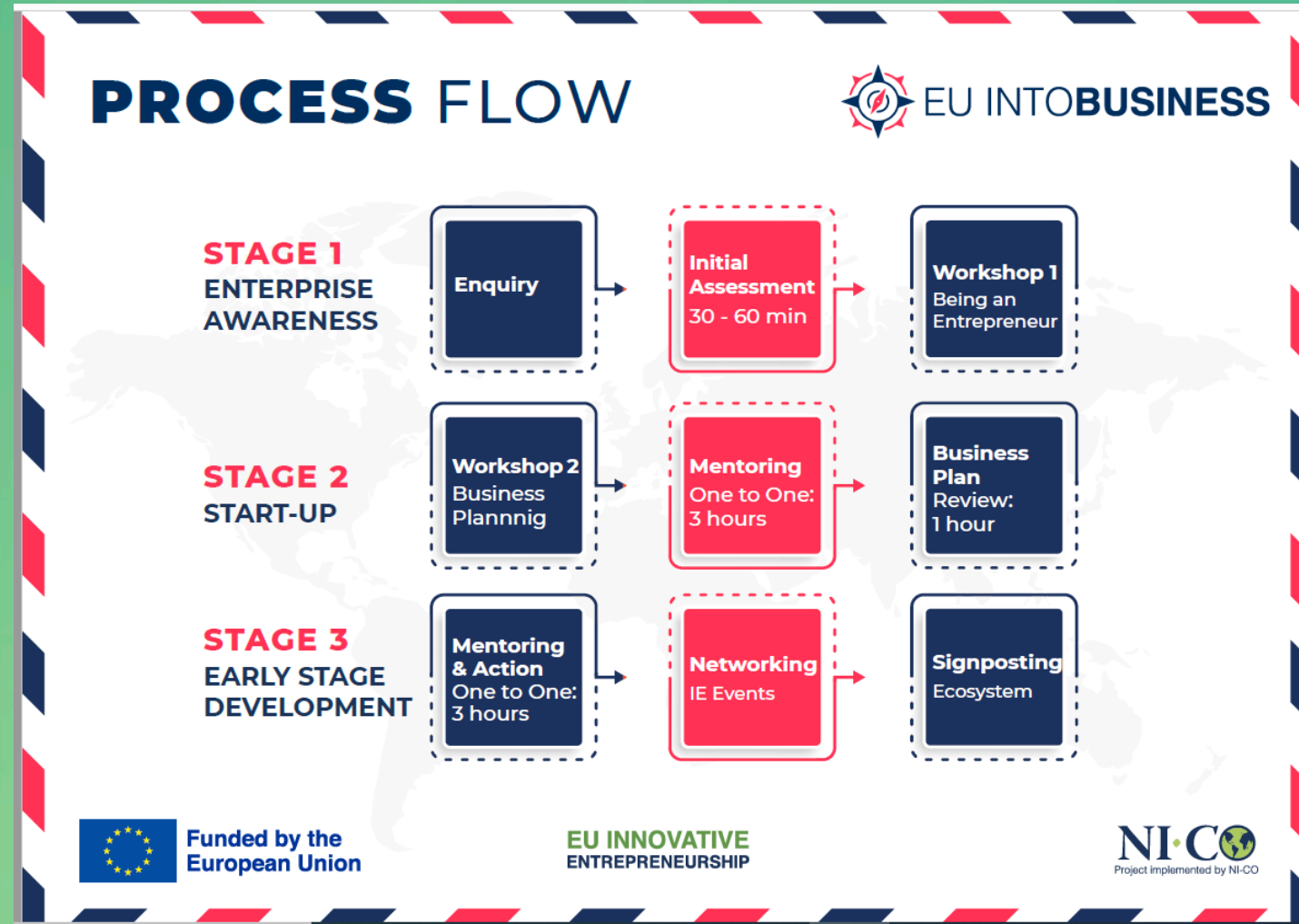
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Next Steps



<https://www.inovatif.eu/business-information/>



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Thank you !

Questions, comments & next steps.



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