

Components of Business Plan

A decorative graphic consisting of a solid red horizontal bar that spans the width of the slide. Below this bar, on the right side, there are three thin, parallel white horizontal lines that extend to the right edge of the slide.

- A Business Plan Consists of the following Components:
- Mission Statement
- Vision Statement
- Industry Analysis
- Competitor Analysis
- Marketing Plan
- Organizational Plan
- Financial Plan

Mission Statement

- A well planned mission statement defines the fundamental, unique purpose that sets a company apart from other firms of its type
- It identifies the scope of the company's operations in terms of products and services offered and markets served

Vision Statement

- The vision of an organization refers to the broad category of long-term intentions that the organization wishes to pursue.
- It is broad, inclusive and futuristic.
- A vision is something that a firm or a person aspires to be in future.

An vision to be ideal should be:

- Broad, all inclusive and forward thinking
- Mental image of the future state of the Organization
- A dream that is shared across the entire organization

Industry Analysis

- Industry consists of a group of Companies which are related based on similar kind of products or services manufactured by them or service provided by them
- . Industry Analysis helps in understanding the attractiveness of the Industry.
- Through Industry analysis we can have a broad mapping of the various components that makes an industry either attractive or unattractive to invest.
- We can gauge the industry from the point of view of buyers, suppliers, new entrants, substitute products and existing participants in the industry.

Competitor Analysis

- The objective of competitor analysis is to define not only who your competitor is but also to have an understanding of who could be potential competitor in future.
- A Competitor Analysis is needed to answer the following questions
 - With whom should we fight in the Industry and in what sequence ?
 - What is the meaning of the competitor's strategic move and how seriously should we take it ?

Marketing plan

- Marketing plan is designed to provide answers to three basic questions:
- **-Where have we been?**
- It includes the organization's Strengths and weakness, background of the competition, opportunities and threats in the market place etc.
- **-Where do we want to go in the short run?**
- The entrepreneur has to ask himself about his short-run goal. The answer may vary from establishing in the market to providing a product through cost effectiveness and cost leadership.
- **-How to get there?**
- The answer to this will be the strategy the entrepreneur . It could be either through cost leadership to product differentiation or could be a combination of both

Organizational Plan

- It involves the type of Company with which the Entrepreneur wish to register.
- It involves the structure of the Organization
- It has to be planned before inception of the Company as later on things can move as desired.

Financial Plan

- Financial planning involves determination in advance of the inflow and outflow of finance for the organization.
- This requires the preparation of financial budget. Budget is an estimate or plan for any activity.