



MIT  
RAS  
DUDI

**PKPHI**

Pusat Kerjasama, Pemberdayaan  
Aset dan Hubungan Internasional

30 AUG - 03 SEPT  
2021

**Bali State Polytechnic**

International Edu-Preneur  
**SUMMER**  
**COURSE**  
Program

Business Plan  
COMPETITION  
GUIDELINES





## BUSINESS PLAN COMPETITION GUIDELINES

The guidelines designed for the participants of the Edu-Preneur summer course 2021, virtually organized by Bali State Polytechnic. Each contestant has to design a tourism based services and products business plan, that will be executed in the region where the contestant from, or executed online. The business plan contains the following 7 elements.

### A. INTRODUCTION

In the introduction you write in brief the case study you have taken as the background of your business plan. Describe the location of the case study (Country/region), business phenomenon, then a short reason why you decide to design the business plan in a certain area of services or products.

### B. EXECUTIVE SUMMARY

*This is written last but placed first in the business plan. The Executive Summary should be no longer than 2 pages. We recommend five paragraphs – each paragraph summarizes one of the sections below:*

1. **Company profile**

What product(s) or service(s) do you offer and what is their value (or what differentiates you)? Who are the owners and what expertise do they bring to the business (briefly)?

2. **Market research**

What are the key findings about your industry and competitors? Who is your target audience?

3. **Marketing**

How will you acquire clients and what strategy makes the most sense?

4. **Operations**

What resources do you need to get off the ground?

5. **Finance**

How much money do you need to start? How will it be used? What are your first-year sales and expense expectations?

### C. COMPANY PROFILE

*In this section you describe your offering - the strengths of your product or service. You include how your company is set up, who the owners of the company are and what they bring to the table.*



### 1. Business Overview – Products/ service offered

Provide a full description of your product/ service and its value. Why will people buy your product or service? What is the key benefit – your Unique Selling Point? It is best to focus on a single key benefit, as opposed to having many. Examples include: saves time; better quality; easier to use; convenient; minimizes risk; reduces pain; highly credible; socially responsible; increases enjoyment; low cost.

### 2. Company History

How did this idea first come about? Outline your progress to date – research and development, any sales to date, etc. Who are your current customers? What is the current status of your operation?

### 3. Vision and Mission

Vision is about the end result – your ideal position. How do you envision the company 5-10 years from now? How will your company be known? For example, a vision statement for a tutoring company could be to be the benchmark for quality tutoring in the area. The mission describes the fundamental purpose of your business. The mission focuses on the present, while your vision describes the future. Think of your mission as your guiding principle in dealing with your customers. For example: Making tutoring fun and interesting for students. This entrepreneur knows that, day-to-day, it is her mandate to ensure students are actually engaged in their own learning.

### 4. Management

Outline the key personnel in the company and any relevant experience/ training they have that relates to the business. This shouldn't be written like a resume but in paragraph form. You may include: relevant work experience; education and training; industry contacts; life experience; projects worked on; passions; skills; achievements; awards; volunteer work.

### 5. Legal Structure

What is the business structure: sole proprietorship, partnership or incorporated? State any rationale for the structure. If there is a partnership or corporation, please state the ownership breakdown, shares issued etc.



## 6. Location

Where will you be located? Provide an address. Provide a rationale for the location. Discuss the rent, traffic and parking. What businesses are situated around you? For leased premises, most lenders will require either a letter of intent or a copy of the lease from the landlord.

## 7. Goals & Objectives

Goals and objectives must be SMART: Specific, Measurable, Attainable, Realistic and Timely. You can also include milestones you want to achieve such as introduce a second product, or purchase new equipment. Include any new major initiatives you have planned for the 2-5 year timeframe including hiring new employees or expanding to a larger location.

## D. MARKET RESEARCH

*In this section you take a closer look at how your industry works, who are the competitors and who are your best customers.*

What business are you in? How does the industry work? Who are your key competitors? How is the industry evolving? What are the predictions for the future? Are they valid and how does this affect your business?

### 1. Local Market

What is the market you will serve initially? For example, if you are opening a **Travel Agent**, your immediate market is likely customers are only willing to travel a certain distance. What is the geographic scope? How many customers are in that area? Businesses that sell online may also need to target a key geographic area to start. In the SWOT analysis, make sure you compare all relevant companies in your location.

### 2. SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats)

The SWOT analysis forces you to evaluate your competition so that you have a better understanding of where you should position your offerings.

**Strengths:** What strengths does this company have from a customer's point of view?

**Weaknesses:** What weaknesses do you observe? Avoid subjective statements such as *"they don't care about their customers"*



**Opportunities:** What gaps can you identify in the offerings of the competition? For example, if your competitor doesn't offer same day service, you might consider offering same day service.

**Threats:** What might the competition do to make it difficult for your business? What might happen in the industry (i.e., new legislation etc.)?

### 3. Target Market

Describe your intended customers. Identifying a target market will help you develop a much more effective marketing strategy. In most cases, you should not plan to sell to just anyone and everyone. The aim is to find your best customers and to clearly describe them by their common traits. For your best customer, ideally you should list 8-12 common traits such as:

- Demographics: Age; gender; income; education; nationality; occupation
- Lifestyle/ Psychographics: Hobbies/ interests, what they value most, leisure activities, what they like to buy
- Behavior: What will "trigger" your customers to buy your product or service? What common behavior patterns do your customers share?
- Scope: Where do your customers live and work? What is the geographic scope you want to cover?

Determine who your best-paying customer is. This is often the person or group who values your product or services the most and is willing to pay for it, not necessarily they not necessarily the person that needs your services. Based on the profile determine the actual size of your target market.

### E. MARKETING

*In this section you determine how you will market to your target group. What is the most effective way to reach them? Specifically, for each marketing activity how will you reach your target, when, how often, how much will it cost and what exactly will you do? Marketing is about developing a consistent and detailed strategy.*



## 1. Pricing Strategy

It is important to have a clear understanding of what your competitors are charging. In this section outline the basic fees or prices of your competition and what you plan to charge. Why? Give a rationale on your pricing. The pricing strategy needs to be in alignment with your positioning statement. In this section list your prices.

## 2. Marketing Strategy

List the overall direction of your marketing efforts. What are the most effective and methods to reach your best customers (target market)?

Examine your top 3-5 activities, prioritize them and list details on implementation.

- Primary Marketing Activity (the activity that will be the most effective)
- Secondary Marketing Activity (the activity that will be the next most effective)
- Supporting Marketing Activity (the activity that will be the next most effective).

For each key marketing activity answer these questions: How and where will this take place? How much will it cost and when will it be spent? What support materials will you will need? What is the follow- up/measurement system? When will you do this and how often?

## 3. Marketing Objectives

You should have specific, measurable goals for your marketing activities. These goals may be expressed in terms of monthly, quarterly or annual sales, clients, website hits, events executed, advertising impressions, readership, circulation etc. Remember, if you have already listed all goals and objectives under the Company Profile, then you will not need to list them here.

## F. OPERATIONS

*This section outlines what you need to have in place to fulfill orders and meet customer expectations once the sale is made.*

### 1. Resource Management

#### a. Location

For physical locations, describe the location, any back-up locations, if appropriate, and the rationale for your choice(s). Provide the hours of operation. Most lenders will require a copy of the lease or a letter of intention from the landlord.

If your business is web-based, provide designs or prototypes, along with a rationale for the design and the key selling features of the website.





**b. Initial Capital Expenditures**

Opening inventory: For retail or wholesale businesses, list the amount of initial inventory you will need and the general margins/mark-ups of your product or service.

Major equipment purchases: What major equipment have you acquired/do you need to acquire and why is it important for your business?

**c. Legal**

Discuss any legal issues here such as licenses required, regulatory issues, contracts that have to be drawn up or zoning bylaws. Most lenders will expect you to have standard insurance coverage in addition to coverage that is specific to your industry.

**d. Human Resources**

Discuss your personnel requirements here. Will you need to hire employees, or will you subcontract work? Assess the cost and implications of your resource requirements. What experience do you require and how will you conduct training? Consider your deductions for payroll.

**e. Process/ production**

How will you fulfill the order once you get it? If you are manufacturing or assembling products, discuss capacity issues i.e., how many orders can you physically fulfill each day/ month? You will need to do a supplier analysis if your key selling point is your suppliers. What are your lead times from suppliers? What will happen if you can't use them? Do you need point of sale equipment?

**f. Risk Assessment**

Discuss the potential risks in starting your business. The reader of your business plan needs to be convinced that you are considering the risks associated with your business, and that you have a plan to mitigate or minimize those risks wherever possible. Examine the following:

- Marketing - What factors would make it difficult to get customers and what will you do if they occur?
- Operations – What factors would make it difficult to fulfill orders and what is your back-up plan?



- Finance – What factors would make it difficult to sustain a positive cash flow and what are your alternatives?

## G. FINANCE

*In this section you will address your start-up costs, financing, sales forecasts and complete a month-by-month cash flow for two years. The cash flow helps you to see how and when cash will enter and leave your business.*

### 1. Financing

What are the costs associated with starting your business? How much will you contribute and what are the sources of the remainder? The following spreadsheet will give you an idea of the types of expenses you may encounter.

ITEM	COST OF ITEM	TOTALS
<b>Lease - Leasehold Improvements</b>		
First and last month's rent		
Building supplies		
Labor		
Legal fees to review lease		
<b>General Start-up Costs</b>		
Insurance		
Business License		
Office Supplies		
Office Furniture (desk, filing cabinet)		
Computer, printer, fax machine		
Marketing		
Website		
Legal fees to review contracts		
<b>Inventory</b>		
<b>SUBTOTAL</b>		
<b>Cash</b>		
Working capital		
<b>TOTALS</b>		





## 2. Sales Forecast

When projecting sales, it is important that you provide a rationale for your projections. Start by making some general assumptions, such as how much you'll charge, seasonal variations, major marketing initiatives. Then you provide a brief explanation of how these result in sales figures, on a month-by-month basis. This is crucial as it will force you to really think about the kinds of marketing activities you need to do to generate sales.

**GOOD LUCK**