Business Plan Outline
for Alliance Partners

GLOBAL ALLIANCE FOR CLEAN COOKSTOVES
For our partners working in the private sector, a business plan is usually a necessary step in order to receive an investment. Investors want to know that entrepreneurs have thought out their target market, business model and operations before they begin their complete assessment of an organization. Business plans vary from business type, size and stage of development. The following is a basic outline to follow for a business that provides products to emerging markets but could also be easily adapted to other models. This business plan outline is best utilized when it is customized to a business’ model. For more information on resources to help you with business planning, we have included a list of helpful organizations and online resources. For country-level Alliances, it may be helpful to partner with an entrepreneur support organization that provides specialized instruction and assistance to businesses. For a checklist on investor readiness, see the Business Innovation Facility website here.

**Executive Summary**

This section is usually written last, and includes an overview of the business model, the particular market need it addresses, key partners or marketing strategies and overview of investment need and what investment will be used for.

**Business Overview**

- **Mission**
- **Vision**
- **Current Business Model**
- **Proposed Business Model**

  Only include this if the business is in the process of changing from current model or plans to change their model to market conditions.

- **Social Impacts of Model**

  An impact investor, depending on their investment strategy will require a business to prove a social impact from their products or services. This section should discuss the intended social impacts of the business and if possible, facts and statistics regarding social impact already achieved.

**Product/ Service Descriptions**

- **Product Overview**
- **Technical Product Specifications with Pictures**
- **Future Products and Services**
Market Analysis

Market needs/ Gaps- Current “untapped market” section
Business discusses the unmet needs in the market that current businesses do not address. It is helpful to have research in the section to support claims.

Market Segmentation
Business discusses the target market (such as women, young adults) for the product and segments the market based on geography, consumer behaviors, etc. Market segmentation can be complex. Seek additional resources for completing this section.

Industry Information
Business provides any information by industry analysts or organization describing the attractiveness of the industry, market trends and potential for growth.

Competitor Analysis
There are always competitors to the businesses’ products. Even if the product is completely unique; consumers may choose a substitute product or the status quo. This section outlines the competitors and may include the product or service’s advantage over the competition.

Marketing Plan

Market Assessment
This section provides an overview of the market assessment and research the business has done. The business should demonstrate that they understand the demands and needs of the target market. Provide a size of the market if possible.

Marketing Strategy

Pricing Strategy
Business demonstrates an effective pricing strategy based on market research and allowing for profitability.

Product Placement
This is synonymous with distribution. How will consumers see the market? Examples include micro-entrepreneurs or retail business placement.

Promotional strategy
Business explains how the product will be branded to distinguish it from others in the market and attract customers. Describe and show how product will be marketed including advertising, social networks, and logos and messaging and important marketing campaigns.

Operations

Management team
Write a one paragraph overview of the experience and roles of key team members.

Organization Chart
The organization demonstrates pictorially the reporting structure and roles.

**Product Distribution Model**
The business explains how their product gets to market, including key relationships. This could be a repeat of the business model above. Include this if the business has important operational characteristics that give it a unique advantage in the market or industry.

**Key Partners and Agreements**
Business provides an overview of any organization that is essential to business operations or other organizations that assist with marketing efforts. Explain how they interact with the business model and the nature of agreements with the organizations.

**Legal Structure, Ownership and Special Operational Permits**
The legal structure, license to operate and breakdown of current ownership are presented here. The legal structure is important to an investor, particularly for an equity investment. Note: for companies incorporated as a non-profit, consult local laws before seeking equity investment. In many developed markets, an individual or investor is not able to obtain equity ownership in a non-profit organization.

**Country Overview**
Business demonstrates that they have an understanding of the operating environment. This is particularly helpful to investors who are not familiar with the market.

**Financial Model**

**Risks and Mitigates**
This is where a business demonstrates that they have an understanding of the risks to their business and strategies to mitigate the risks to the organization.

**Break Even Analysis**
The business shows graphically or explains with financial data when the business will reach the “break-even point,” or being to turn a profit

**Exit Strategy**
How does the entrepreneur expect a potential investor to exit the company or does the entrepreneur plan to exit the company. Examples include a larger investor buyout, entrepreneur buys out investor, and in very rare cases, an initial public offering (IPO). This is not applicable in most cases to non-profit organizations, depending on the legal system of the country of operation.

**Financial Statements**
If possible, include up to three years of historical financial statements (balance sheet, income statement, and cash flow) and five years of projections. If seeking an equity investment, it is helpful to have a valuation of the company to begin as a negotiation point with investors.
Appendices

Include Project Design Documents (PDD) if company utilizes carbon financing and any relevant contracts with key partners, compelling marketing materials, CVs of key team members, etc.

Additional Resources:

Financial and technical support

Glossary of business terms: http://articles.bplans.co.uk/business-terms-glossary

Investor Due Diligence and term sheet support

Choosing the right funding for your business: link
Exit Strategies: http://www.exitplanning.com/

Business Planning

Bid Network for entrepreneurs: http://www.bidnetwork.org/en/resources/entrepreneur-resources
Business Innovation Facility: http://businessinnovationfacility.org/

Tracking Social Impacts

IRIS Overview and taxonomy: http://iris.thegiin.org/
Business Innovation Facility Overview on Approaches to tracking social impact: Link
GIIRS Ratings: http://giirs.org/companies/companies