



The Business Plan..

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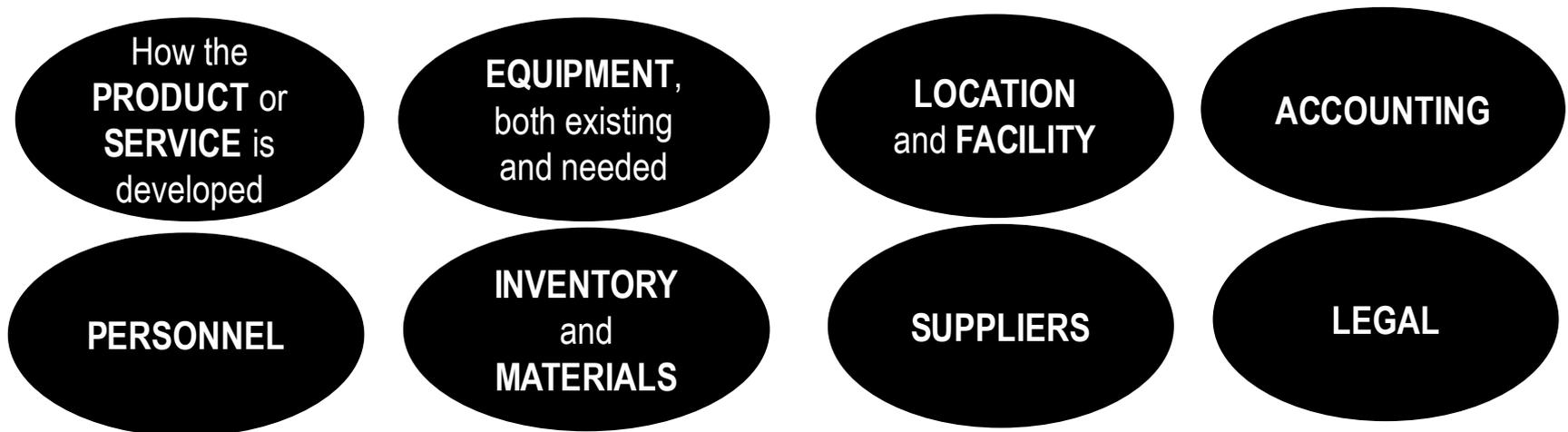
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What is the Operations Plan?

- An outline that describes the necessities of the business's operation that serves two purposes:
 1. *Provides a holistic view*
 2. *Explains the physical and procedural aspects*
- Sections of the Operations Plan



Operations Plan Section 1

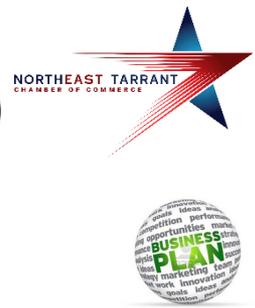
How the
PRODUCT or
SERVICE is
developed



- **Production Process/How Services Are Carried Out**
 - *Outline the process of manufacturing the product, or all the moving parts and people to carry out the service*
 - *Best viewed as a checklist or flowchart*
- **Production Timeline**
 - *Length of time to create the product or provide and fulfill the service*
- **Production Feasibility**
 - *Demonstrate proof and/or ability to produce the product or provide the service*
 - *Research, testing, etc.*
- **Vulnerability**
 - *Identify potential problems during production and how they will be handled*
- **Quality Control**
 - *Supervision and oversight of the production or service process to ensure quality*
- **Customer Service**
 - *Plans for communication, follow up, returns, complaints, etc.*

Operations Plan Section 4

PERSONNEL



- **Startup Team**

- *Who is the startup team, what is their responsibility and qualifications?*

- **Personnel**

- *List the types of personnel, their description and quantity (table or bulleted), which are full time, part time, contracted, etc.*

- **Procedural Protocols**

- *Written manuals and steps for carrying out individual positions and functions. Essential to maintain operational stability and accountability.*

- **Recruiting and Training**

- *Approach for identifying and hiring employees, including job descriptions and desired skills. Plan for conducting training and preparing new employees, including cross training and continuation plans.*

- **Compensation***

- *Estimated cost for each employee and job type, including incentives for performance and benefits, if included.*

**Applicable to the Financial Section of Business Plan*

Operations Plan Section 6

SUPPLIERS



- **Supplier/Vendor Background**

- *Background on each entity, lending credibility and dependability of your product or service.*

- **Inventory Details**

- *Type, amount and cost of inventory from each supplier or vendor.*

- **Payment Terms**

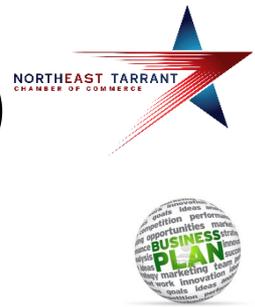
- *Outline the terms with each relationship, terms of payment, terms of delivery, days accounts payable.*

- **Back-up Plan**

- *Options in the event you lose a supplier/vendor, or when they are unable to meet your demand. Supplier diversity avoids placing too much importance on one.*

Operations Plan Section 7

ACCOUNTING



- **Payment Terms**

- *Conditions the entity pays the amount owed. Over a period of time, in advance, on delivery, etc.*

- **Accounts Receivable**

- *Enforceable claim for payment for goods supplied or services rendered, in the form of invoices with an agreed upon time frame.*

- **Accounts Payable**

- *Money owed by the business to its suppliers/vendors, in the form of invoices with an agreed upon time frame.*

- **Notes Payable / Loans**

- *Money owed by the business under a legal instrument over a fixed or determined future*

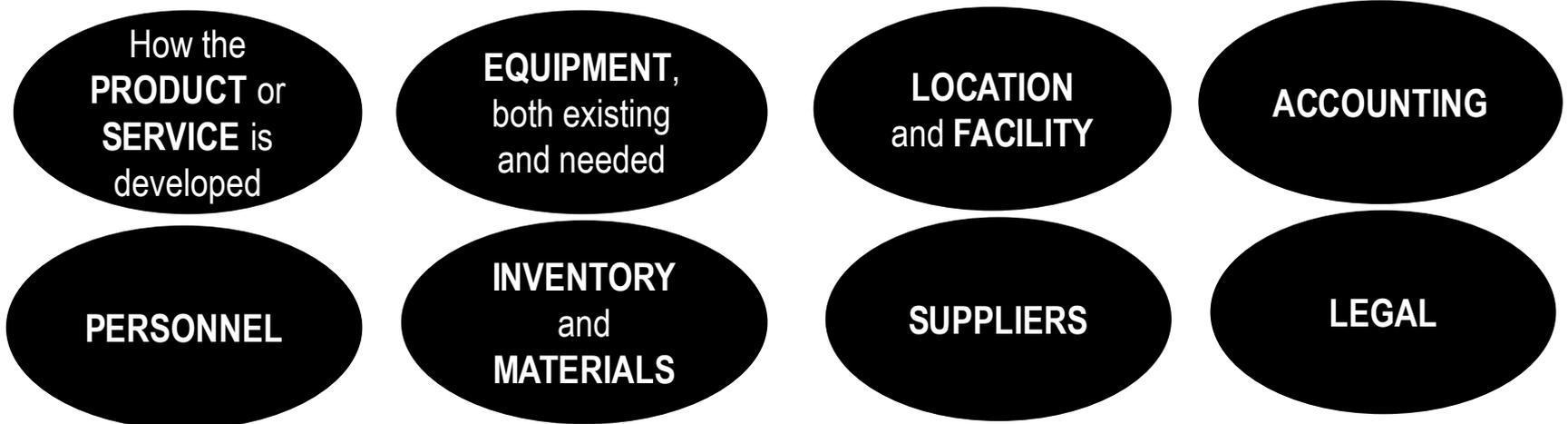
- **Payment Policies**

- *Issuing credit, terms of credit, slow or non paying customers, background checks, security interests, etc.*



Operations Plan - Summary

- The components that allow your business to create value
- A detailed operating plan allows the business to identify issues and opportunities
- Demonstrates confidence to your customer, investor and employee





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The Management Team

- The quality, experience and structure of the management team is one of the most important factors in evaluating a business.
- 3 sections of the Management Team



Management Team Section 1



OWNERSHIP STRUCTURE

- **Legal Structure of Business**

- *It may be a single sentence if your business is a sole proprietorship. If business is a partnership or a corporation, it may be longer.*

- **Explain Who Holds Ownership**

- *List who owns portions of the business, type of ownership (% or shares) and background on their experience and qualifications*
- *Typically those who have equity in the business*

- **Types**

- *Sole Proprietorship*
- *General Partnership*
- *Limited Partnership (LP)*
- *Limited Liability Partnership (LLP)*
- *Corporation*
- *Non-profit Corporation*
- *Limited Liability Company (LLC) Most Common*



Management Team Section 2

INTERNAL MANAGEMENT TEAM

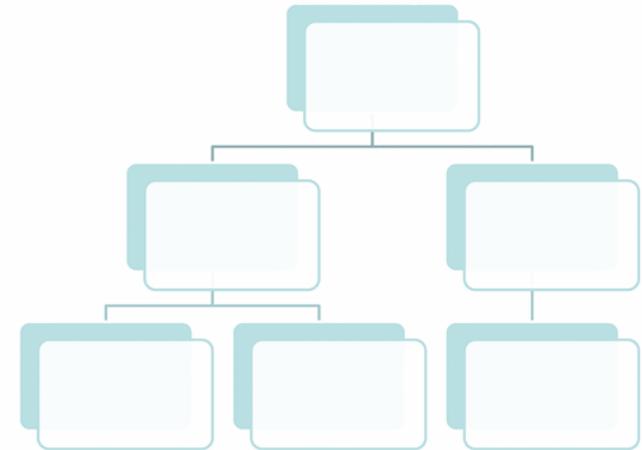


- **Main Management Categories of Business**

- *Identify who's going to have responsibility for each category, and profile that person's skills.*
- *Include chain of authority*

- **Typical Categories**

- *Accounting, Finance*
- *Production, Operations, Facilities*
- *Marketing, Communications*
- *Sales, Customer Service*
- *Human Resources, Administration, Governance*



- **Format**

- *Provide organization chart that reporting structure and specific roles and responsibilities*
- *Include descriptions of each manager, including skills, experience, education, awards, licenses, certificates, etc.*

The Management Team Summary



- Who you surround your business with matters!
- The Management Team section tells a lot without going into details of the business
- Professionals are honored to be on boards. Provides exposure, gives back, expands network, professional development
- The need for a formal chain of authority is imperative, as roles and responsibilities change rapidly





6 Sessions...

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