

A Guide to Writing a Business Plan

Rural Network Allied Health Training Program

April, 2017



525 South Lake Avenue, Suite 320 | Duluth, Minnesota 55802
(218) 727-9390 | info@ruralcenter.org
Get to know us better: www.ruralcenter.org/rhi

This is a publication of Rural Health Innovations, LLC, (RHI), a subsidiary of the National Rural Health Resource Center. The Technical Assistance for Network Grantees Project is supported by Contract Number HSH250201400024C from the U.S. Department of Health and Human Services, Health Resources and Services Administration, Federal Office of Rural Health Policy.

TABLE OF CONTENTS

- Purpose And Components 2
- Glossary Of Terms..... 3
- Allied Health Training Program Description 4
 - Program Description Guidance 4
 - Mission: 4
 - Values: 4
 - Vision: 4
 - History and Culture: 4
 - Strategic Objectives: 4
 - Business Structure and Governance: 4
- Market Analysis and Plan 5
 - Market Analysis and Plan Guidance 5
 - Partner, Member and Customer Needs Assessment 6
 - Value Proposition of Products and Services..... 6
 - Promotion and Communication 6
- Leadership and Operations Review 7
 - Leadership and Operations Review Guidance 7
 - Program Leadership and Skills 7
 - Key Initiatives 7
 - Key Resources and Infrastructure 7
 - Key Partners 7
- Financial Outlook 8
 - Financial Outlook Guidance 8
 - Estimated Operations Cost 8
 - Projected Revenues..... 8
- Resources 9

PURPOSE AND COMPONENTS

A Guide to Writing a Business Plan and the *Business Plan Template* are designed to support rural health Networks and project/program leaders in both developing and writing a business plan. Although the Guide and Template use the language of “Program”, the framework is flexible and the documents can be used for planning at either a more focused Program level or at the larger Network level.

Developing a business plan includes planning and problem solving within four components of a program’s business. These business plan areas represent a system of interactions. This Guide presents a traditional business plan format that incorporates a framework based on the *Business Model Generation* and *Value Proposition Designer* concepts developed in an open source environment by Alex Osterwalder.

Writing a business plan entails a compilation of plans with the primary purpose to convince external readers of the ongoing viability of the organization. External readers may include new partners, new members and funding opportunities. This is a living document that projects 2-3 years into the future and conveys the path the program is intending to take in order to be sustainable.

This business planning toolkit includes the following components and objectives:

1. Program Description and Strategic Objectives

Articulating the history and health care environment of the program and their partners, members and customers and alignment of the program’s mission and vision with strategic objectives.

2. Summary of Products/Services and Articulation of Value Proposition

Understanding the needs of members/partners/customers to ensure good product fit and identifying the value and benefit that the program’s members/partners/customers experience.

3. Overview of Leadership and Culture and Operations

Describing attributes of key initiatives, infrastructure and members/partners that are needed for delivering the program’s value.

4. Outlook of Financial Performance

Estimating and forecasting the program’s total financial scenarios for the coming 2-3 years, including the expected costs and the anticipated income of providing program services. Demonstrating financial value to members is a common component and is often communicated through a return on investment ratio.

GLOSSARY OF TERMS

Members

Organizations that have formally agreed to work together to meet a need.

Customers

Partners your program works with or the people or end users that benefit from your Program work (i.e., children, under-insured, aging population, community-based organizations, schools, etc.).

Product/Service

What your Program does to meet the needs of its members, partners, customers and end users (i.e. shared staff between members, grant writing services, recruitment or retention services, round-tables for knowledge sharing, best practice development, contract negotiation for group purchasing, shared training staff or curriculum development and delivery, etc.).

ALLIED HEALTH TRAINING PROGRAM DESCRIPTION

Program Description Guidance

The purpose of this section, is to provide a high-level overview of your Rural Network Allied Health Training Program. In a way, an organization description is an expanded “elevator speech”. This section will help external readers rapidly understand the goal of your program and its unique value. Much of the content in this section will come from your strategic plan.

Program Description	Notes and Guidance
Mission:	A mission statement articulates your program’s purpose for being. It includes how the program will achieve its vision in relation to specific objectives and customer needs. The program’s mission will be part of the Strategic Plan.
Values:	Value statements are principles and beliefs that guide your program’s activities and the way it operates. It articulates your program’s shared beliefs. These values are often included in the Strategic Plan. If the program has not identified specific program values, it is recommended to complete this effort prior to writing the Business Plan.
Vision:	A vision statement articulates your program’s aspirations. It outlines where your program wants to be; communicating your purpose and values. The vision of the program may be found in the Strategic Plan. See the RHI Allied Health: Strategic Planning Toolkit resource for facilitation tools.
History and Culture:	The information in this section is foundational for the Business Plan. It provides the reader with just enough information to make sense of the rest of the plan; giving context for the program’s services, infrastructure, and financial projections. An area that may be new is to consider your Program’s culture. To consider the culture of your program ask “how do we do our work when meeting our mission and implementing our work plans?” In a way, your culture describes how your program staff lives the values. For example, high expectations for excellence, a learning organization, friendly and helpful. For the Business Plan, write this section so the reader has insight into how the program gets it work done.
Strategic Objectives:	Strategic objectives are goals that convert your mission statement into reality and provide a path toward the program’s vision. These would have been developed during strategic planning. To help your reader, it is recommended that consistent language is used throughout your plan, such as, strategic objectives, goals, strategies, objectives, outcomes, etc. Additionally, it is helpful to your reader to number your strategic objectives if you refer to them later in the Business Plan. RHI Allied Health: Strategic Planning Toolkit resources may be a helpful reference.
Business Structure and Governance:	Business structure is a description of your program’s leadership and staff alignment. It provides a picture of how the leadership and staff are paid. Business governance describes how decisions are made. Governance is usually located within the by-laws or memorandum of agreement (MOA) or understanding (MOU). You may want to reference the RHI Network Board Development: Equipping Leaders for Effectiveness presentation as it addresses structure and governance.

MARKET ANALYSIS AND PLAN

Market Analysis and Plan Guidance

The general purpose of marketing is to determine the best fit of program service to member needs, and then to communicate this as a value to current and potential members and customers. This implies two things:

1) your Program knows its value proposition, and 2) can communicate that value.

For a marketing analysis, your program must take an in-depth look at the needs of its members and identify what products and/or services you can provide to meet those needs. This is how to determine 'product fit'. The other component of marketing is to communicate clearly the value of those products and/or services to your members. A thorough market analysis and plan will increase your program's probability of sustainability and opportunity for growth.

Market Analysis and Plan Components	Notes and Guidance
Regional Health Care Environment and a Competitive Analysis	<p>Briefly describe the current health care environment that is impacting or influencing your program and its partners/customers. If you haven't done this scan, it is recommended that you consider completing this effort prior to writing your Business Plan. To identify aspects of the environment that are impacting or influencing your program or your partners, review the environmental scan tool that is part of this document and ask yourself: "what are the key drivers of change? What are those levers or blocks that require the program or its partners to adapt or adjust its work in order to continue achieving its mission?". A good source of environmental information comes from your strategic planning process. See the RHI Allied Health: Strategic Planning Toolkit resource as a reference.</p> <p>A <i>Competitive Analysis</i> for your program considers the options your partners/customers have in choosing a service from another organization. For example, if your partners have other options, ask yourself; "What are the competitor's strengths and weaknesses in producing and delivering the product or service?"</p>
Program Partners, Members and Customers	<p>List your program's current partners, members and customers and provide a short description that offers the reader a brief insight in why each area member/partner/customer. You're building a profile of your members/partners/customers here. This provides examples of partner organizations that demonstrates the value in being a member. Suggestions for profile topics include: mission, organization type, partnership longevity, location/town, specific equipment or connectivity, program products being utilized or valued, and shared resources. Often this section is also part of the strategic plan documentation. See the RHI Allied Health: Strategic Planning Toolkit resource as a reference.</p> <p>If you have a Partner/Customer Profile Study or Target Market Analysis, include it here. Market Analysis resource from the U.S. Small Business Administration: https://www.sba.gov/content/market-analysis.</p>
Partner, Member and Customer Needs Assessment	<p>Include a brief or summary level description of your partner/member/customer needs. The Needs Assessment is in your Marketing Plan. If you have not completed a partner needs assessment to align your program's products and services that identifies a product fit, then it is recommended to complete one prior to writing the Business Plan. See the RHI Understanding your Target Market: Value Proposition Design resources for more information.</p>
Value Proposition of Products and Services	<p>This is an opportunity to articulate the value that your program provides to its current and potential partners/members/customers. Provide value propositions for each program product and/or service. Keep this description at a summary level. It will be a starting point when developing marketing materials. If you have not identified and articulated value propositions, then it is recommended to complete prior to writing the Business Plan. See the RHI Understanding your Target Market: Value Proposition Design resources for more information. If your Program has a Competitive Advantage Study, include it here. This will show your program's ability to potentially deliver products/services for a lower cost or perhaps provide a higher level of service than competitors.</p>
Promotion and Communication	<p>Describe the approach and methods for promotion and communication of the program's value propositions. Keep this section at a summary level. If your program has a Branding Plan, include it here. It is critical to communicate. If you have not yet completed a Marketing Plan that includes promotion and communication, it is recommended to complete this work prior to writing the Business Plan.</p>

LEADERSHIP AND OPERATIONS REVIEW

Leadership and Operations Review Guidance

The purpose of this section is to illustrate that you have the leadership staffing and key partners necessary to accomplish program initiatives, and that initiatives are aligned with strategic objectives and supported by appropriate resources. Tracking progress and moving toward strategic objectives is another aspect of operations. This will help in demonstrating your program’s stability and capacity to succeed.

Leadership and Operations Review Components	Notes and Guidance
Program Leadership and Skills	Briefly describe leadership skills and attributes contributing to program success, providing an example if it will help paint the picture for the reader. An organizational chart may be helpful as well. The key is to show the reader that you have the manpower in place to support success. This section may have been developed for your Strategic Plan, but if not, development is recommended for your Business Plan.
Key Initiatives	Describe key activities and initiatives focused on developing, implementing, supporting and providing products/services. This section is a summary or high level description of your work plan or logic model. Initiatives are those activities that take place 6-18 months out. Initiatives should be conveyed in a clear and concise manner so the reader is convinced your efforts are focused on the program’s mission, vision and strategic objectives. Use the Key Initiatives (pg. 4) of the Business Planning Worksheet for this section. Using your work plan or logic model may be helpful here, as well as the Scorecard Format, commonly located in the Evaluation Plan.
Key Resources and Infrastructure	Describe program fundamental resources and infrastructure that supports operations, (i.e. ‘inner workings’ that make your products/services possible to create and deliver). Provide reader with just enough detail to convince them that operations are effective, reliable, and stable. Keep this section concise by selecting the most important tools, technology, expertise, staffing, etc. This may be new writing for you, as it is not included in either the Evaluation or Strategic Plan. See the Business Planning Worksheet , Key Resources, (pg. 4).
Key Partners	Identify your program’s key partners from the perspective of supporting operations. This is not the same as a stakeholders list. Key partners are those actively contributing to the success of the program’s operations in meeting the mission. Briefly describe the partner’s relationship with the program, (i.e., funder, ex-official board member, informal advisor, etc.). The goal is for the reader to have a clear understanding of how the partner organizations are supporting operations and to be convinced that the key partners are committed to the program’s success. Refer to the Key Partners (pg. 4) of the Business Planning Worksheet for this section.
Evaluation Dashboard	This is an executive level summary of metrics for monitoring and adjusting strategies and key initiatives. This dashboard format is located within your Evaluation Plan. The dashboard should be limited to one-two pages, including only the most insightful measures demonstrating your program’s progress toward its goals and objectives. If you don’t have an evaluation dashboard of key metrics, it’s recommended to complete this prior to writing your Business Plan. A resource for this section is the Allied Health Program Evaluation Planning and Tools .

FINANCIAL OUTLOOK

Financial Outlook Guidance

The purpose of this section of the Business Plan is to convince the reader that your program understands its finances and the forecast is reasonable and achievable. It shows that you have thought through the revenues and costs of your products and/or services. Both actual financial data and pro forma (projected or forecast) data is used.

The financial outlook has three aspects: 1) demonstrates an understanding of the program’s operational costs and an estimate of future costs by product and/or service, 2) provides an understanding of its current revenue by product and/or service and an estimate of its future income, and 3) illustrates that the program’s total revenues are indeed greater than the costs, therefore showing a net income. The pro forma scenarios will show the reader that the program has considered all its options.

Financial Outlook Components	Notes and Guidance
Estimated Operations Cost	<p>Provide a brief narrative or chart of the estimated operational costs of your program. Doing this in annualized dollars, costs for the full 12 months of work, can be the easiest for people to understand. Support this narrative with a summary level chart that shows the total cost components for your program.</p> <p>The Business Planning Worksheet, page 5 is a useful resource to identify various costs to take into consideration.</p>
Projected Revenues	<p>Provide a brief narrative or chart of the estimated revenue of your program. Doing this in annualized dollars can be the easiest for people to understand. Support this narrative with a summary level chart that shows the total revenue components for the Program.</p> <p>The Business Planning Worksheet, page 5 is a useful resource to identify various costs to take into consideration.</p>
<p><i>NOTE:</i> It may make the most sense to combine the estimated costs and revenues into the same chart. There is no one right way to present your financial information. The goal, however, is to make it easy for your reader to understand where you are spending your money and how you are bringing in revenue. It needs to be easy for them to be convinced of your program’s financial stability.</p>	
Pro forma Scenarios	<p>If your program has some decisions to make that will impact its future, this is the place to include those various outcomes by using the same financial charts above, but changing the assumptions within the spreadsheet and showing different scenarios.</p> <p>Example of changing the number of partners: Scenario 1 = No growth, Scenario 2 = Increasing partners each year by a specific number or percent, etc.</p> <p>Example of dues structure or pricing assumptions: Scenario 1 = Currently no dues, Scenario 2 = Tiered structure based on member’s net income, Scenario 3 = tiered structure based on member’s operational capacity.</p>

RESOURCES

The following Rural Health Innovations resources are used by rural health programs for developing the thinking and planning that goes into assembling a Business Plan.

Allied Health: Strategic Planning Toolkit

This resource includes a compilation of recorded webinar, a *Strategic Plan Guide* and a *Strategic Planning Sample* to use as a reference. Basic strategic planning concepts are described and helpful facilitation notes are provided to help with the components of strategic planning, including, vision check-in discussion, environmental scan, strategic objectives workshop, and discussion to check-back to programs' mission and vision.

Understanding your Target Market: Value Proposition Design

This resource is based on the *Business Model Generation: Value Proposition Design*. This combination of recorded webinar, *Value and Proposition Canvas*, and the *Creating Value Propositions for Program Services Worksheet* helps identify clear and focused value propositions by gathering insights on your specific target markets. The worksheet walks you through what your customers are trying to do, jobs that need to be done, and how to help them solve their problems with products or services.

Business Planning Worksheet

The *Business Planning Worksheet* is based on the *Business Model Generation: Business Model Canvas and Value Proposition Design*. This worksheet walks you through each section of the [*Business Planning Tool Template*](#), including key initiatives and key resources. This worksheet also provides definitions and prompts for each section.

Allied Health Program Evaluation Planning and Tools

This resources includes a compilation of recorded webinar, *Evaluation Plan Guide* and an *Evaluation Plan Template*. Evaluation of grant-funded programs is critical to both success and sustainability. It is critical to assess the impact of program objectives to demonstrate value, to monitor progress toward the program goals, and to identify potential best practices and lessons learned. Evaluation findings are also integrated back into the program to improve performance.

Network Board Development: Equipping Leaders for Effectiveness

This resource includes a recorded webinar, *Network Board Development Guide*, developed by RHI and NCHN to assist rural health networks in establishing and improving board governance, and a Network Board Development Sample. The main purpose of any nonprofit board of directors is to guide the direction of the organization in a fiduciary manner, insuring that staff can carry out the organization's mission. The purpose of this Board Development Toolkit is to support Rural Health Networks in their efforts to establish, maintain and improve the effectiveness of their boards. The benefits of using this Guide include an improved understanding of how to identify and recruit board members, the roles and responsibilities of board members, how to manage effect board meetings, and quick access to resources on board development.