

How to Write Your Project Business Plan Toolkit

Network TA Team

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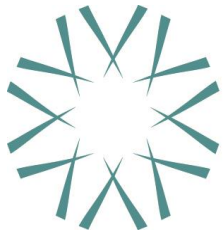


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Rural Health Innovations' Purpose

Rural Health Innovations (RHI), LLC, is a subsidiary of the National Rural Health Resource Center (The Center), a non-profit organization. Together, RHI and The Center are the nation's leading technical assistance and knowledge centers in rural health. In partnership with The Center, RHI connects rural health organizations with innovations that enhance the health of rural communities.



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Webinar Objectives

- Explore the major components of a business plan
- Learn about incorporating financial assumptions and projections into your Business Plan
- Prepare to document your Business Plan work using the provided template

Project Business Plan Deliverable Due:
July 31, 2019

What is a Business Plan?

- A compilation of your strategic, evaluation, marketing, operational and financial plans
- Describes and demonstrates how each component of your project works together to achieve project goals and strategic objectives
- A document used for both internal and external use, projecting three to five years into the future
- Conveys the path your project will take towards sustainability

What is Sustainability?

The ability to achieve desired outcomes and financial viability through implementation and deployment of the business plan.



Sustainability Requires a Systems Approach

No one car part makes a car...



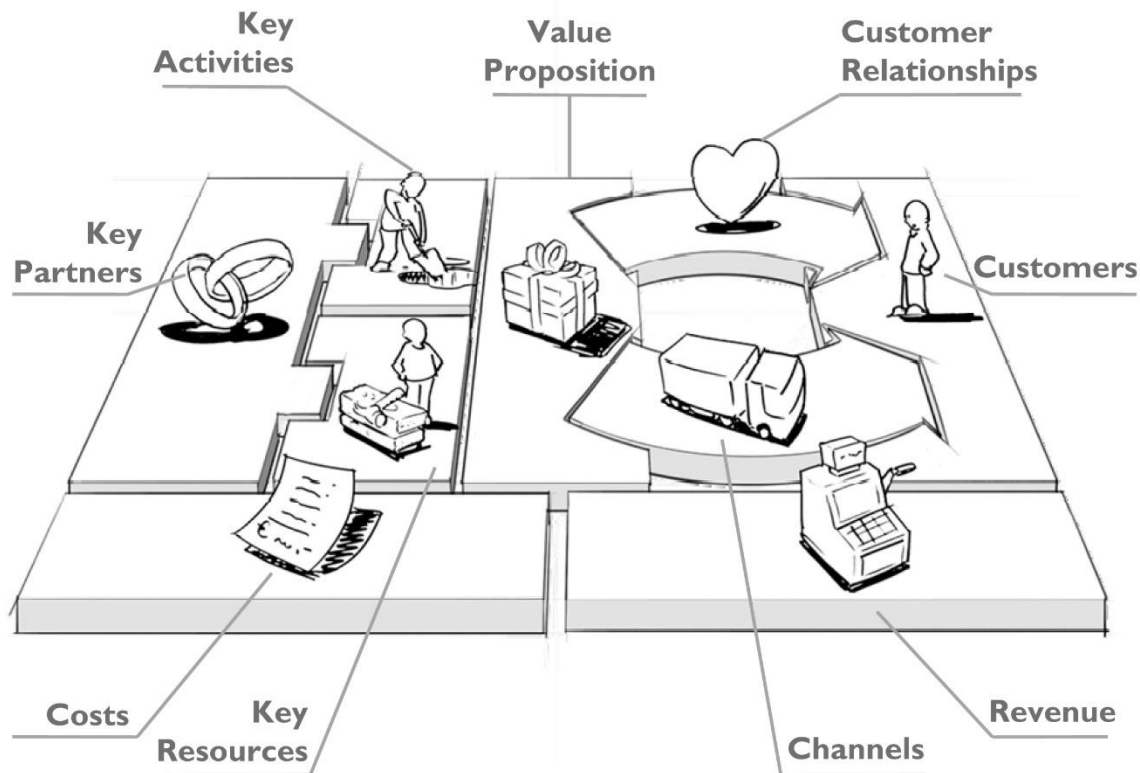
A car functions because of how all the parts interact with each other.

Purpose and Audience of a Business Plan

- A business plan is a compilation of plans
- The purpose is two-fold:
 - Convince external stakeholders and readers of the ongoing viability of the organization or project
 - Illustrate the interconnections between your plans
- It is a document that shows viability three to five years into the future

A Business Plan is a Framework

A framework provides structure to help understand all your project parts *AND* the interactions between them.



drawings by JAM

3 Phases of Writing a Business Plan

Phase 1:

**Gather
Existing
Plans**

Phase 2:

**Complete
Product and
Service
Development**

Phase 3:

**Writing the
Business
Plan**

Phase 1: Gather Existing Plans

Phase 1: Gather Existing Plans	
Who?	Network leadership
What?	Refer to information from already-written plans
Why?	To assist in building the business plan and ensure that all of our plans are aligned toward your project goals
How?	Retrieve the following: <ul style="list-style-type: none">• Strategic Plan• Evaluation Plan• Marketing Plan• Operational Plan• Financial Plan

Phase 2: Complete Product and Service Development

Phase 2: Complete Product and Service Development	
Who?	Network leadership with input from stakeholders
What?	<ol style="list-style-type: none"> 1. Completing marketing and operational thinking for each product and service included within the Business Plan 2. Completing financial thinking for each product or service included within the Business Plan
Why?	<p>To identify significant marketing and operational decisions related to each project product and service and the associated costs.</p> <p>Ensure that all of the interconnected and integrated components of a project's products and services are accounted for in operations and financial estimates of costs and revenues.</p>
How?	<p>Use the Product and Service Development Canvas for each product and service.</p> <p>Use the Financial Outlook Worksheet for each product and service.</p>

Product and Service Development Canvas

Product and Service Development Canvas	
1. Product or Service: Briefly describe your product or service. (50 words or less)	
STRATEGIC THINKING	
2a. Target Market:	
2b. Project goals met by this product or service:	2c. Project strategic objectives met by this product or service:
MARKETING THINKING <i>Refer to your Marketing Plan for details.</i>	
3a. Jobs being worked on or problems being solved by the target market:	3b. Pains experienced by the target market while doing their work:

Phase 3: Writing the Business Plan

Phase 3: Writing the Business Plan	
Who?	Network leadership and staff
What?	Summarizing and aggregating details from each of the gathered and completed plans into specific sections of the Project Business Plan.
Why?	Create a document for both internal and external readers that provides insight on the projects ability to sustain its work over time.
How?	Use the Project Business Plan Template.

Business Plan Components



Network and Project Profile

- Network and Project Profile
- Market Analysis and Plan
- Operational Review
- Financial Outlook

Refer to your Strategic Plan to complete this section.

Mission and Vision

- **Mission:** Articulates your network's purpose and overall function
- **Vision:** Your network's aspirations; where your network aims to be in the next two to three years

Project Goals and Strategic Objectives

- **Project Goals:** Future conditions or performance levels you intend to attain
- **Project Strategic Objectives:** Describes pathways which move a network toward its project goals and network vision.

History and Culture

- **History:** Brief overview of your network's main points, significant achievements, and dates
- **Culture:** Describes how your network is living its values

Business Structure and Governance

- **Business Structure:** Description of network leadership and staff alignment
- **Governance:** Describes how network decisions are made

This section is new thinking, but may be found in your network bylaws, or MOAs/MOUs.

Market Analysis and Plan

- Network and Project Profile
- **Market Analysis and Plan**
- Operational Review
- Financial Outlook

Refer to your Marketing Plan and completed Product and Service Development Canvases to complete this section.

Target Market Needs Analysis

- **Network Members:** List of network members with a short description of why each is a member
- **Needs Assessment:** Identifies underlying needs of the target market or members by understanding the jobs they do and problems they are trying to solve

Products and Services and Key Messages

- **Products and Services:** Brief description of each product or service the network is delivering to its target market
- **Key Messages:** Describes the value target market or members gain by receiving a product or service

Operational Review

- Network and Project Profile
- Market Analysis and Plan
- **Operational Review**
- Financial Outlook

Refer to your completed Product and Service Development Canvases to complete this section.

Leadership Team and Skills

- **Leadership Team and Skills:** Describes leadership skills and attributes that contribute to project success

This is new thinking and will be a brief narrative.

Desired Experience and Relationship

- **Desired Customer Experience:** Experience intended for target market or members while using or receiving a product or service
- **Relationship:** Describes the target market or members desired relationship while they use or receive the product or service

Delivery

- **Delivery:** Describes methods used to deliver products and services, including the timing
 - Examples include:
 - Real-time and in-person delivery
 - 24/7 online access and availability
 - Recorded resources and shared files
 - Real-time remote presentation or discussion

Key Initiatives

- **Key Initiatives:** Significant actions or workgroups needed to implement, support and deliver your product or service
 - These are actions that take six to 18 months to bring the product or service to life
 - Often key initiatives are focused on building infrastructure or capacity of the project

Key Resources and Key Partners

- **Key Resources:** What is needed to make product or service delivery possible
 - Tools, technology, expertise, materials, staffing, etc.
- **Key Partners:** Those needed to develop, implement, support, and deliver a product or service

Financial Outlook

- Network and Project Profile
- Market Analysis and Plan
- Operational Review
- **Financial Outlook**

Refer to your completed Product and Service Development Canvases to complete this section.

Financial Outlook Components

- Start-Up Costs
- Estimated Operational Costs
- Projected Revenue
- Forecast Net Income

Start-Up Costs

- **Start-Up Costs:** Incurred during development of the product or service
 - Examples: designing, creating, or piloting
 - It is possible for a project to have zero start-up costs

Estimated Operational Costs

- **Operational Costs:** Incurred while producing and delivering a product or service
 - Influenced by marketing information and decisions
 - Total operational costs are the aggregated costs for each product and service

$$\text{Operational Costs} = \text{Direct Costs} + \text{Indirect Costs}$$

Direct and Indirect Costs

- **Direct Costs:** Expenses directly associated with producing and delivering a specific product or service
- **Indirect Costs:** Expenses related to general administration of the project or organization

Projected Revenue

- **Revenue:** Income generated through sales or other funding sources related to a specific product or service
 - Two components of revenue:
 - Price
 - Unit of sale

Forecast Net Income

- Illustrates the financial outlook of the project's products and services
- Makes assumptions for three to five years into the future

$$\text{Net Income} = \text{Total Revenue} - \text{Total Operating Costs}$$

Questions



Product and Service Business Planning Workshop

Network Product and Service Business Planning Workshop

Date: March 26 - 27, 2019

Location: Orlando, Florida

This workshop will build on the network's Marketing Plan by building out the Business Model Canvas while increasing knowledge of each component of the Business Planning Canvas, with an emphasis on the Financial Forecasting component of the canvas.

REGISTER TODAY

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