



**TEACH**  
A MAN TO FISH



**CZECH REPUBLIC**  
DEVELOPMENT COOPERATION

# Agricultural high school businesses

## Workbook 2: Business Plan Writing

School Name: \_\_\_\_\_

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# **WELCOME TO BUSINESS PLAN WRITING**

# Introduction

## WHAT IS THIS BOOKLET FOR?

Now that you have completed the first workbook, it is time to make your business a reality. This workbook will help you finish planning your business.

## HOW SHOULD IT BE COMPLETED?

Follow the instructions carefully, and refer back to workbook 1 when instructed. Our staff will make regular visits to your school to support you through starting your business. When you have completed this workbook, PIN staff will be available to review the plan and give you feedback. If the business plan is accurate and feasible, you have a good chance of starting a successful and self-sustainable business.

## WHAT IS THE TIMELINE?

The timeline give you an overview of when to complete the different sections of this workbook. The deadlines should be realistic so you need to take school holidays and workload of your teachers into consideration.



Section	Deadline	Responsible person	Notes
1-3			
4-6			
7-11			
12			

## Writing your business plan

SCHOOL NAME: \_\_\_\_\_

TYPE OF BUSINESS: \_\_\_\_\_



### 1. Description of Your School

Location of your school?	AHS or AVI?	Number of students?	
		Male	Female
Which subjects are taught in your school?			
Who funds your school?			
Main challenges of your school?			

### 2. Description of your School Environment

Look for the answers you write to these questions in workbook 1 (look in the table on resource assessment).



Is your school located in a cold or warm area?	Do you have electricity in your school?	Do you have access to water all year?	Do you have access to internet?
Are there villages or towns close to your school?	How big is the population of your local area?	How do people in your neighbourhood earn money?	Do your students come from mainly rural or urban environments?

## SWOT ANALYSIS

The SWOT analysis is an extremely useful tool for understanding and decision-making for all sorts of situations in business and organizations. SWOT is an acronym for Strengths, Weaknesses, Opportunities and Threats. When you want to start any business, you have to perform the SWOT analysis for the specific business.



Strengths:	Weaknesses:
Opportunities :	Threats:

## 3. Vision and mission

Copy the answers to these questions from workbook 1 (look in Part 2, Business selection).

- 1) What are the challenges your school faces?
- 2) Which of these challenges can be helped by a school business?
- 3) Who will benefit from the school business and why?
- 4) What is your vision?
- 5) What is your mission?
- 6) What does your school have to do in order to achieve its mission?



1) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4) \_\_\_\_\_

5) \_\_\_\_\_

6) \_\_\_\_\_

#### 4. DESCRIPTION OF YOUR BUSINESS

- 1) What is your business?
- 2) How did you choose this business? (List the types of research you did)
- 3) Where will your business be located?
- 4) What will you be producing/selling?
- 5) How will the students be involved in its operation/planning?



1) \_\_\_\_\_

2) \_\_\_\_\_

3) \_\_\_\_\_

4) \_\_\_\_\_

5) \_\_\_\_\_



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## 5. Operational plan

Illustrate how you will produce or deliver your product or service. One way is by using a flow chart to show the different elements of producing a particular sale item or service. An example of a flow chart has been filled out for a 'School tomato processing business' below:

*Example:*

Business idea: School tomato processing business				
Sale Item or Service	How is it made or provided?	What equipment is needed?	What raw materials are needed?	What knowledge or skills are needed?
Sundried Tomatoes and Tomato paste	By processing fresh tomatoes harvested from the school's greenhouse	<ul style="list-style-type: none"> <li>- Sun drier</li> <li>- Stove</li> <li>- Large pots</li> <li>- Knives</li> <li>- Large sieves</li> <li>- Airtight Containers</li> </ul>	<ul style="list-style-type: none"> <li>- Tomatoes</li> <li>- Salt</li> <li>- Olive oil</li> </ul>	<ul style="list-style-type: none"> <li>- Processing techniques</li> <li>- Cultivation of tomatoes</li> <li>- How to control pests and diseases</li> </ul>

Fill in the blank flow chart with information for your business.

Sale Item or Service	How is it made or provided?	What equipment is needed?	What raw materials are needed?	What knowledge or skills are needed?

Now, answer the following questions:

- What are the start-up activities of the business? Which steps need to be taken to start your business? Who will manage and run these activities? *E.g. buying your tools and facilities, designing your product/service, having an opening event, etc.*



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- What are the daily or weekly activities of your business? How many hours per week will students and other members work, in what roles?

<b>Role at School</b>	<b>Daily Business Activities</b>	<b>Weekly Business Activities</b>	<b>Total Weekly Hours</b>
<i>Example: Students</i>	<i>Irrigation and weeding</i>	<i>Weekly business meeting, report to management</i>	<i>7</i>
Head teacher			
School Deputy			
Business Manager			
Students			

- What equipment, facilities and materials will you need?

<b>Asset or material needed</b>	<b>What is it for?</b>	<b>What is the cost?</b>	<b>Where will you get it from?</b>


- **How, where and when will you sell your product or service?**



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- **How will you ensure the quality of your product or service?**



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- What are the 'critical success factors' that you must get right in order to ensure your business is a success?



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- What are the key operational risks and how will you reduce these?

Risk	Odds of occurring	Level of Impact	Mitigation	Person Responsible
Example: <i>Chickens fall sick</i>	(High, Medium or Low?) <i>High</i>	(High, Medium or Low?) <i>Medium</i>	<i>Daily health check by farm keeper and weekly health check by vet expert. Foot and hand wash for those entering and exiting the chicken building. Thorough disinfecting with appropriate chemicals before chickens brought to school. Chickens divided into different sections so they do not infect each other.</i>	<i>Head of production</i>

## 6. Educational Planning

- Which business operational tasks could students take part in? What skills can they learn by doing this? How can these skills help them in the future when they leave school?



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- Which business management tasks could students take part in? What skills can they learn by doing this? How can these skills help them in the future when they leave school?



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- Which other business tasks could students take part in? What skills can they learn by doing this? How can these skills help them in the future when they leave school?



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- Which subjects taught in your school can use the business as a practical example in lessons? Which aspects of the business will they feature?



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## 7. Scale of production



- **How many items will you be producing/selling...**

Per week? \_\_\_\_\_

Per month? \_\_\_\_\_

Per year? \_\_\_\_\_

## 8. MARKET RESEARCH

- **What information did you find out through your market research about the business you have chosen?**



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- **How will this information affect the way you run your business?**



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## 9. COMPETITOR ANALYSIS

- **What information did you find out through your competitors analysis about the business you have chosen?**



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- **How will this information affect the way you run your business?**



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- **How will you beat your competitors?**



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**CONGRATULATIONS! YOU HAVE NOW PLANNED THE PRODUCTION SIDE OF YOUR BUSINESS!**

## 10. SALES & MARKETING

Look back at the marketing section in workbook 1, especially the different marketing strategies you can use. Now write a marketing strategy for your school business below:

Business type: _____				
Marketing Mix:				
Product:				
Price:				
	What?	Where?	Why?	Budget (AFA)
Promotion technique 1				
Promotion technique 2				
Promotion technique 3				
<b>Total Budget:</b>				

- Who is responsible for implementing this marketing strategy?




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- What is the timeline for implementing each promotion technique?

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## 11. Organisational chart & management structure

*Draw a chart of your business management structure:*

Look at the different roles you have identified in your organisational chart. Write these in the table below in the 'Business role' column. Now complete the rest of the table by deciding who will fill that position, what their responsibilities are, what they have to report, and how often. See the list of business responsibilities in workbook 1 for help.

<b>Business Role</b>	<b>Name</b>	<b>Responsibilities</b>	<b>What do they report?</b>	<b>How often?</b>

## 12. Business Rules

To run a successful business, everyone involved with the school business should follow the rules set by the business team. What rules do you want to have in your school business?



1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

6. \_\_\_\_\_

7. \_\_\_\_\_

8. \_\_\_\_\_

9. \_\_\_\_\_

10. \_\_\_\_\_

### 13. FINANCIAL PLAN

Now it is time to write your financial plan, to ensure that you are going to run your business in a way that can generate profit.

1. Firstly, complete the table below, using the information you gained from asking the expert about this business.
2. Think carefully about if there are any other costs that you have not yet considered.
3. Add these items to the table below.
4. Research these extra costs accurately, by visiting a supplier of the item, and finding out what the exact cost is. You should also research the costs given to you by the expert as well, since their information may have been approximate, or out of date.

IT IS VERY IMPORTANT THAT ALL OF THE COSTS IN YOUR BUDGET HAVE BEEN ACCURATELY RESEARCHED FROM A REAL SUPPLIER, AND NOT JUST ESTIMATED OR GUESSED. A POORLY RESEARCHED BUDGET IS ONE OF THE MAIN REASONS A BUSINESS CAN FAIL IN THE FIRST YEAR.

#### What is the difference between your investments and a running cost?

**Investment** – A new piece of equipment or infrastructure that you need to buy to start your business. They are usually items of higher value that will last at least a year or longer.

**Running Cost** – Regular expenditure you need to make to keep your business running. These are often perishables.

Item	Price	Unit	Number of Units needed	Total cost
Investment				



Running Costs				

Well done, now it is time to start entering data into your budget. Use the attached budgeting sheets supplied with this workbook, and follow the instructions below!

## Sheet 1 – Start –Up Budget

1. Enter your investments into the start-up budget worksheet, including the unit cost and how many of each item you will need.
2. Multiply the unit cost of each item, by the number you need and enter the answer into the 'total cost' column.
3. How long will each item last before it needs repairing or replacing? Choose either 1, 5, 10 or 20 years and enter this into the 'depreciation' column.
4. Divide the total cost by the depreciation basis and enter this into the depreciation column.
5. Now total the total cost and annual depreciation columns.
6. Now enter your running costs into the section entitled 'start up expenses, including the unit costs.
7. Work out how many of each item you will need during the first 3 months of production, and enter this into the 'quantity' column.
8. Multiply the unit cost of each item, by the number you need and enter the answer into the 'total cost' column.
9. Calculate the 'total start up expenses' and the grand total, this is the total start-up budget you need to get your business started.

## Sheet 2 – Production, Profit and Loss

1. Think about how many of your product or service you will be producing/selling per month. This may vary depending on the time of year. Make sure you are realistic in your estimates, by following the advice of the expert. Do not be optimistic! Put the name of the product or service in the production calendar and write the number you will sell per month in the correct month.
2. Think about how much you are selling each of these for. In the sales calendar, write the name of the product or service, and then multiply the cost of one unit by the amount you will sell each month, to work out the total income of your monthly sales.
3. Repeat this process for each type of product or service your are selling.
4. If you have more than one type of product or service, then calculate the total income per month.
5. List all of your running costs under the heading.
6. Write the monthly expense for each running cost in each month column. You may not be spending on every item every month! Make sure you include everything! Have you thought of water, labour, transport and maintenance?!
7. Calculate the total running costs per month.
8. Go back to your investment worksheet and look at the total cost of the annual depreciation. Divide this cost by 12 and write the answer in each month in the depreciation row.
9. To calculate your monthly net profit, subtract your total monthly running costs and your monthly depreciation from your total monthly sales.
10. Now total the monthly net profit to get the annual net profit. This is the amount your business is profitable by. If this number is very small, or negative, it means your business is not profitable. You need to adjust the way you operate your business to ensure it is profitable.

### Sheet 3 – Cash Flow

1. Copy your monthly income from the sales calendar on worksheet 2.
2. Copy your total start up budget from worksheet 1 and put it in month 1.
3. Copy your total cost of investments from worksheet 1 and put it next to the new assets in month 1.
4. Copy your total cost of start up expenses from worksheet 1 and put it next to the start-up expenses in month 1.
5. Copy your total monthly running costs for each month from worksheet 2, but start from month 4, not month 1. This is because the first 3 months of your running costs are already provided by your start-up expenses.
6. Calculate the total cash out per month
7. To calculate your total cash flow, subtract the total cash out from your total cash in for each month.
8. To calculate your ongoing cash balance, add the previous months ongoing cash balance, to this month's total cash flow. For month 1, your ongoing cash balance is simply the same as your total cash flow.
9. Every month of your ongoing cash balance should be a positive number. If not, you need to adjust the amount you need to invest, and check that your business is profitable!

***Well done! You have now completed your business plan!!***

**Get your business team to sign here to say that you are all happy with the business plan:**

Name	Position	Signature

### Next Steps

1. Now you have completed your business plan, you can ask PIN to review it. We will offer you some feedback, and may suggest that you make some corrections or improvements to your plan, before starting your business.
2. When your plan is finalized, you are ready to begin...

**This is the end of workbook 2.**