



Business Management Toolkit

5. BUSINESS PLAN (SL&HL)

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5. Business Plan - Objectives - Syllabus links

- It is recommended that it is introduced and taught to the students in Unit 1 (Recommended chapters 1.1. Or 1.3. Or 1.5.)
- As it is a tool that is linked to all functions of a business, the business plan can be integrated and applied in all Units (1-5).



5. Business Plan

***“By failing to prepare, you are preparing to fail.”
Benjamin Franklin***



5. Business Plan

Business Plan: A written document that describes the business, its objectives and its strategies, the market it is in and its financial forecasts.

Main characteristics:

- Important for a start-up
- Planning process and setting objectives
- Tracks progress
- Supports access to finance



5. Business Plan - Main content



- The **executive summary** - an overview/summary of the new business and its strategies
- **Business Description** - a description of the business and the business opportunity - what is going to be sold, why and to whom
- **Marketing Plan** - It has to do with marketing and sales strategies - details of why the entrepreneur thinks customers will buy what the business plans to sell and how the business plans to sell to them
- **Human resources plan** - It has to do with the management and team and personnel - the skills and experience of the entrepreneur and the staff he/she tends to recruit
- **Operational plan** - It has to do with how the business is going to operate in order to deliver its products. E.g. processes, premises to be used, production facilities, IT systems, quality management, logistics
- **Financial plan** - It has to mainly do with sources of finance and financial forecasts - how will the business be financed, the future projection of sales, profit and cash flow, ratios

Activity: What do you observe regarding its content?



5. Business Plans: Why are they so important?

- Help a business spot potential pitfalls before they happen
- Structure the financial side of a business efficiently
- Focus on growth and development efforts
- Work as a measure of success
- Can persuade others to invest (e.g. venture capital, business angels) or lend (e.g. banks)



5. Business Plan - Evaluation



Advantages	Disadvantages
<ul style="list-style-type: none">- It provides direction for future actions- It is essential to attract investors or other sources of finance- It is useful for resources allocation	<ul style="list-style-type: none">- It is time consuming- It could be inaccurate and inflexible- It needs to be revised as the external environment may change



Are you ready for the quizz?

- **Do the quiz in the ibGenius platform**
- **You need 70% to pass!**
- **Then you are ready to move on to the next Business Management Tool!**



References

Books

Stimpson, Peter, and Alex Smith. *Business Management for the IB Diploma: Coursebook with Cambridge Elevate Enhanced Edition (2 Years)*. Cambridge University Press, 2018.

Hoang, Paul. *Business Management Study & Revision Guide: for the IB Diploma*. Hodder Education, 2016.

Muchena, Martin Mwenda, et al. *IB Business Management*. Oxford University Press, 2014.

Links

- <https://brandongaille.com/14-pros-and-cons-of-a-business-plan/>
- <https://smallbusiness.chron.com/disadvantages-business-planning-2541.html>

[Images: pixabay.com, pexels.com](#)