

Community-based organisation business plan form page 1

<p>This business plan form is for starting a new business. Complete this business plan form in pencil, then do the final version using black or blue pen. This form can be submitted to any finance organisation. This form can also be used to plan your new business even if you do not need outside help (if this is the case you don't need to complete sections T and U). There is training available to help you complete this form (ask the finance organisation you plan to give the form to for more information). No finance organisation expects you to have all the answers. What they expect is that you be honest and open with them. <i>Tok stret na tok klia em tu em samting bilong skelim</i>. If you need more space to answer any of the sections below, then write "see attachment" and include it as an attachment (and say clearly which section the attachment is for). The more information you provide about your business idea the better, so feel free to include any other attachments.</p>			
A. DETAILS OF PROPOSED BUSINESS			
What is your business idea?			<p>What is the business organisation? Is it a family business or a farmer group or a women's group o kain olsem. If the business organisation has a name, then also include it (for example, <i>Mun Kopi Asosieson</i>).</p> <p>The finance organisation that you want to get money from will definitely contact you to find out more about your business plan. This is why you need to include the best postal address and mobile number for them to contact you on. If your business has an email or social networking address then also include it.</p>
If the business has a name what is it?			
What is the business organisation?			
Where will the business be located?			
What will be the business postal address?			
What will be the business contact details (mobile, email, etc.)?			
B. PRINCIPALS			
Name:	Age:	Male or female:	<p>Principal means 'go pas'. Who are the go pas people in your business? They might go pas because of their experience running a business, or their experience making your product, or their experience as a manager. If you are not sure who the principals are then just select the two most experienced members of your business organisation.</p> <p>You can have more than two Principals. If you have more than two Principals then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section B).</p>
Position:		Mobile:	
Highest level education:			
Relevant training:			
Relevant experience:			
Name:	Age:	Male or female:	
Position:		Mobile:	
Highest level education:			
Relevant training:			
Relevant experience:			

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C. OUR CUSTOMERS	<p>(1) List the product or products you plan to sell. Products are either goods or services. Goods are things you can hold – like scones or meat birds or <i>buai</i>. A service is work that you (or something you own) performs for someone – like car repairs or generator hire or security or PMV. List each of the product or products that you plan to sell.</p> <p>(2) For each product, explain who you think the customer groups will be for the product? For example, men buying for themselves or women buying for their family or young people or 'middlemen' or schools or buyers from factories or <i>taun lain</i>? These customer groups should be the same ones that you include in your product profile (section K).</p> <p>(3) For each product, explain how the customer groups will find out about the product (how will you advertise)?</p>
D. OUR COMPETITION	<p>(1) List the product or products that you plan to sell.</p> <p>(2) For each product, how many competitors will you have? Write 'none' or 'one' or 'two' or 'three' or 'four' or 'five or more'?</p> <p>(3) For each product, explain who your main competitors will be?</p>
E. OUR SUPPORT Do the members of your business organisation support this idea?	<p>Your business organisation might be a family business or a women's group or a community or a church group or a landowner group or a farmer group. <i>Kain kain</i>. Do the members of your business organisation support this business idea? Do you have any evidence?</p>
How will this business idea also benefit women and youth?	<p>The <i>kumul</i> needs two wings to fly. The next generation needs to learn how to fly. A priority for PNG is for women and youth to have more choices and opportunities. How will this business idea also benefit women and youth?</p>

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F. OUR UPSTREAM SUPPLY CHAIN

(1) List down all the people and other businesses you plan to use to supply the things you need (the goods and services) to PRODUCE your finished product. This is called your upstream supply chain. In your upstream supply chain just include the things you will use-up (*kaikai*) each year to produce your finished product. Don't include assets in your upstream supply chain (like a sewing machine or coffee pulper) as these are big things that you won't use up (*kaikai*) each year to produce your finished product.

(2) For each person or other business that you list down, explain what you need from them?

(3) For each person or other business that you list down, explain how reliable they are?

(4) For each person or other business that you list down, explain if there is an alternative person or business that could supply you with the same goods or services that you need.

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G. OUR DOWNSTREAM SUPPLY CHAIN

(1) List down all the people and other businesses you plan to use to supply the things you need (the goods and services) to SELL your finished product to customers. This is called your downstream supply chain. These are the people and other businesses you need *after* you have produced your finished product (your upstream supply chain) to then SELL your finished product to customers. In your downstream supply chain just include the things you will use-up (*kaikai*) each year to sell your finished product to customers. Don't include assets in your downstream supply chain (like a drum oven or a car) as these are big things that you won't use up (*kaikai*) each year to sell your finished product to customers.

(2) For each person or other business that you list down, explain what you need from them?

(3) For each person or other business that you list down, explain how reliable they are?

(4) For each person or other business that you list down, explain if there is an alternative person or business that could supply the same goods or services that you need.

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<p>H. OUR CAPACITY</p> <p>What skills and knowledge and <i>pasin</i> do you already have that will help you?</p>	<p>List the skills and knowledge that you already have that will help your business succeed. Skills and knowledge might include things like management skills or negotiation skills or production skills or money management skills or governance skills or leadership skills <i>o kain olsem</i>. If you have any evidence that you have the skill or knowledge then include it as an attachment (for example, training certificate or letter of support).</p> <p>Also list the <i>pasin</i> that you already have that will help your business succeed. <i>Pasin</i> might include things like transparency or honesty or <i>wok bung o kain olsem</i>. If you have any evidence that you have this <i>pasin</i> then include it as an attachment (for example, training certificate or letter of support).</p> <p>Don't forget, if you need more space then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section G).</p>
<p>What more skills and knowledge and <i>pasin</i> will you need – and how will you get it?</p>	<p>List down any more skills and knowledge and <i>pasin</i> that you think you will need to make your business successful. Skills and knowledge and <i>pasin</i> you don't have – or that you need more of. If you have a plan for how to get the skill or knowledge or <i>pasin</i> then say what it is.</p>

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<p>What assets and other resources do you already have that will help you?</p>	<p>List down the resources that you already have that will help your business succeed. Resources are the big things you use or depend on year after year. Resources include:</p> <ul style="list-style-type: none"> • Assets (machinery, office, vehicle, generator, lanterns, computer, coffee pulper, sewing machine, chicken feeders, chairs, phone) • Human resources (a big family, local experts, <i>haus lain</i>) • Natural resources (water and land and <i>kunai</i> and timber and <i>wait san</i>) • Services (road, footbridge, mobile reception, banks, law and justice committee, power supply, schools). If you pay for the service each time you produce your product or take it to market and sell it, then be sure to include it in your supply chain.
<p>I. OUR RISKS</p>	<p>What are the things that could go wrong with the business? The things that could go wrong are called 'risks'.</p> <p>(1) List down all the risks that you worry about.</p> <p>(2) For each risk, explain what you will do to reduce the chance that it will go wrong, and what you will do to manage if it does go wrong.</p> <p>Don't forget, if you need more space then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section I).</p>
<p>What will you do to manage demands from friends and family (social obligations)?</p>	<p>A big risk for any business is demands from friends and family for money or for use of your assets (the things the business owns). You need to meet your social obligations, but how will you find a balance so that you meet your social obligations without destroying your business?</p>

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<p>How will you put the principle of transparency into practice?</p>	<p>Transparency means <i>klia glas</i>. <i>Pasin bilong mekim na putim olgeta samting long ples klia</i>. A big risk for any business is <i>dak glas</i>. Problems grow in darkness. Let the sunshine. <i>San save kilim binatang nogut</i>. The PNG Government wants every organisation to put the principle of transparency into practice. What will you do to when you run your business to <i>mekim na putim olgeta samting long ples klia</i>?</p>
<p>J. OUR COMPETITIVE ADVANTAGE</p>	<p>Normally customers choose one product over another product because of <u>price</u> (it is cheaper than another product) or <u>convenience</u> (it is easier to buy when they want it) or <u>relationship</u> (the customers know you) or <u>difference</u> (it is different and better than another product).</p> <p>(1) List each of the products you are going to sell.</p> <p>(2) For each product, explain why you think customers will buy your product instead of your competitors' product. What is your competitive advantage?</p>
<p>K. PRODUCT PROFILE</p>	<p>(1) Identify each of the different products (the goods or services) that you plan to sell.</p> <p>(2) Then for each product ask yourself four questions:</p> <ol style="list-style-type: none"> 1. What will be the price for this product? 2. What will be the main customer groups for this product? 3. How much product will a customer in each customer group buy in a year? 4. How many customers are there in each customer group?

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L. FORECAST ANNUAL PRODUCTION	<p>(1) List the different products you plan to sell. To work out how much product you will need, look at the product profile (section K) for each of the products you want to sell and multiply your answers for question 3 and question 4. If there is more than one customer group for a product, you need to multiply question 3 and question 4 for each customer group first and then add them together.</p>
M. FORECAST ANNUAL INCOME	<p>To work out how much income you should get, multiple your forecast annual production for each product by the price for each product (question 1 in the product profile). If there is more than one product, you need to add the forecast annual income for each product together. This gives you the total forecast annual income.</p>
N. FORECAST ANNUAL COSTS (maintenance costs)	<p>When you start a business, or if you are not sure what your maintenance costs are, then one way to forecast your annual maintenance costs is:</p> <p>(1) List the assets you will need for your business. Assets are the big things you need to have or own that you need year after year - <i>ino ol samting wan raun na painim gen</i>. Assets might include things like land, machinery, office, vehicle, generator, lanterns, computer, coffee pulper, sewing machine, chicken feeders, chairs, mobile phone. Include assets you already have.</p> <p>(2) For each asset that your business will need, write the cost to buy it (or if you already own it write its value).</p> <p>(3) Total the costs for all the assets.</p> <p>(4) Then work out what 10% of the total cost for all the assets is. 10% of the total cost for all the assets gives you an estimate (best guess) for what you can expect the annual maintenance costs to be (if you look after your assets!) To work out what 10% is, multiply the total cost for all the assets by 0.1.</p>

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O. FORECAST ANNUAL COSTS (operation costs)

Operation costs are the costs for the things you need each year to run your business. Operation costs are fixed. This means they don't change much from year to year. Operation costs grow slowly as your business slowly grows. In *tok bisnis* operation costs are often called 'fixed costs'.

The costs for any 'fixed' permanent or part-time employees are operation costs. These are people you need regardless of how much product you produce and sell. But if the person you employ is only to help you with the work when you produce or sell your product, then it is better to include their cost as a production cost. This is because this cost is 'flexible' - it depends on how much product you produce and sell.

Operation costs are not the costs for what you need to buy or get from the people and other businesses in your upstream and your downstream supply chain. These are 'flexible' costs because they depend on how much product you produce and sell.

Don't include the costs to buy assets as operation costs - you buy new assets with start-up funding or savings or profit. And don't include costs to repair your assets or to replace them if they *bagarap* - these are maintenance costs (and you have already included these costs).

To forecast your annual operation costs, do the following:

(1) List the things your business will need to operate. (2) For each thing that your business will need to operate, write the cost. (3) Total all of the operation costs.

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P. FORECAST ANNUAL COSTS (production costs)

Production costs are the costs to produce and sell your product. They are 'flexible' because they depend on how much product you produce or sell. To forecast your annual production costs, you need to work out what your supply chain will cost each year. Do the following:

(1) Look at section F (Our upstream supply chain) and copy down the names of the people and businesses that will supply the things you need to PRODUCE your finished product. Write down what things (goods or services) you need from each of these people or businesses (each link). Then write down what each link will cost each year to get the goods and services you need to achieve your forecast annual production (see section L).



(2) Next, include your own business in the middle. Your production costs are shown in your upstream or downstream supply chain. But if there is a production cost that you don't know where to include, you can include it here (but make sure it is not a maintenance cost or operation cost). If you do this, then write down what this production cost will cost each year to achieve your forecast annual production (see section L).

(3) Next, look at section G (Our downstream supply chain) and copy down the names of the people and businesses that will supply the things you need to SELL your finished product. Write down what things (goods or services) you need from each of these people or businesses (each link). Then write down what each link will cost each year to get the goods and services you need to achieve your forecast annual production (see section L).


(4) Finally, add up the cost for each link in your supply chain. This is your total annual production cost.

Be careful. Don't double count costs. Don't include a cost as a production cost if it has already been included as an operation cost. Don't include the cost to buy an asset as a production cost – the costs to buy assets will be included in the section 'forecast start-up costs'. Don't count the same production cost twice in two different links. And don't count the cost to go to town twice if you can combine and make just one trip.

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Q. TOTAL FORECAST ANNUAL COSTS	<p>To work out your total forecast annual costs, add the forecast annual maintenance costs (see section N) and forecast annual operation costs (see section O) and forecast annual production costs (see section P).</p>
R. FORECAST ANNUAL PROFIT (OR LOSS)	<p>Subtract your forecast annual costs (see section Q) from your forecast annual income (see section M). This will give you your forecast annual profit (or loss).</p>
<p><i>Tok save.</i> You profit is not just for spending. You need to use your profit to make savings. You should always try and grow your savings by 10% each year.</p>	
S. FORECAST START-UP COSTS	<p>To forecast your start-up costs for one year, do the following:</p> <p>(1) Get the total cost of the new assets you need (see section N). Don't include the cost for those assets that you already own.</p> <p>(2) Work out any other one-off start-up costs (like transport for assets after you buy them).</p> <p>(3) Get the total forecast annual costs (see section Q).</p> <p>(4) Add it all together (1-3) and this gives you your total forecast start-up costs for one year.</p> <p>(5) Now is a good time to include 10% contingency (<i>sefti moni</i>) just in case prices change or something goes wrong. To work out what 10% contingency is, multiply the total forecast start-up costs for one year by 0.1. Don't worry about <i>foea</i> - just round it up or down.</p> <p>(6) Finally, add this amount to the total forecast start-up costs for one year. This gives you the total forecast start-up costs for one year (plus 10% contingency).</p> <p>If you need two years to start-up your business, then add the forecast annual costs again for a second year (your answer for section Q plus 10% contingency). You don't need to include again the cost of the assets you need to purchase (you already bought them) or any one-off start-up costs (they were once-off). If you need three years, then do the same thing again for the third year.</p>
<p><i>Tok save.</i> You won't need to put aside money for paying tax until you start to earn profit. To find out about what tax you will need to pay talk to a financial organisation or the Government.</p>	

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T. CONTRIBUTION AMOUNT AND LOAN REQUESTED		<p>First, list the total amount required to start your business. Will you need start-up funding for 1 or 2 or 3 years? Next, work out how much money your community will contribute. Often the finance organisation will require you to contribute a set amount before they will lend you any money. Find out from them what contribution they require. If you are not sure, then contribute 20% (the total forecast start-up costs x 0.2). Finally, subtract your contribution from the total forecast start-up costs. This gives you how much money you need to loan.</p>								
<p><i>Tok save.</i> If you are successful in getting a loan, the financial organisation will need to be repaid. Definitely. A loan is repaid by paying back the original loan amount (called the 'principal' amount) and the interest. Interest is the <i>antap</i> money the finance organisation charges you for using their money. If you are successful in getting a loan, the finance organisation will set the minimum monthly or quarterly repayments. This means they will tell you how much you have to pay back each month or each quarter. Normally the repayment will come from your income. This repayment amount becomes one of your operating costs. <i>Tingim.</i></p>										
U. SECURITY		<p>Financial organisations will need a guarantee that if you cannot repay the loan, then you have other items of value that they can take and sell to recover the loan. In <i>tok benk</i> this is called 'security'. List anything you have which is a valuable asset. Describe it and how old it is and what condition it is in and what you think the asset is really worth. If you don't know the value don't worry - the financial organisation will check. The total value of the items you list as security should be at least 30% of the loan requested (loan requested x 0.3). 50% is better. But don't list something that you are not prepared to lose. Getting a loan is a risk.</p>								
V. SIGNATURES		<p>All of the Principals that you listed in section B need to sign and date as evidence that they have read the statement and confirm that it is true. Each Principal should write their name, sign under their name, and then write the date that they signed.</p>								
<ul style="list-style-type: none"> • We the Principles confirm that the information in this form is true and correct to the best of our knowledge. • We the Principles promise that we will be truthful and honest and transparent in all our dealings with the members of our organisation. • We the Principles promise that we will be truthful and honest and transparent in all our dealings with any financial organisation. 										
<table border="1"> <thead> <tr> <th>Name and position</th> <th>Signature</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>			Name and position	Signature						
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W. ATTACHMENTS

List the attachments you have included. Attachments might include your market research, your business analysis, evidence of what your organisation or business has done in the past, minutes from meetings, the story of how you completed this business plan form, your good governance policy (constitution), asset control policy, financial control policy, roles and responsibilities policy, behaviour policy (code of conduct), letters of support, a supply chain plan, a five-year plan, an organisation/business profile, any budgets or annual plans. *Kain kain.*