**GLOBAL TEEN CHALLENGE
CENTER BUSINESS PLAN**

 **PROCESS**

The business plan which is included as a template contains “must have” information. However, depending on the type and scale of the business you are proposing---it may not all be required immediately.

**CONSIDERATION**

While a business plan is important and necessary, there is a prior step to be considered. It is important to have a passion, vision, and be prepared for the hard work required. There has been developed a simple test for those considering such a proposal—simple answer the following questions:

1. How will this complement the Teen Challenge Center?
2. Do I have the expertise, or how will I source the expertise necessary for this business venture?
3. Will pursuing this venture be detrimental to my primary responsibility as Director? (i.e. time; focus; finance; resources etc.)
4. How much does this matter to me?
5. What am I prepared to give up to make this happen?
6. What will happen if I don’t pursue this venture?

Luke 14: 28 - 30  28“If you wanted to build a building, you would first sit down and decide how much it would cost. You must see if you have enough money to finish the job. 29If you don’t do that, you might begin the work, but you would not be able to finish. And if you could not finish it, everyone would laugh at you.30They would say, ‘This man began to build, but he was not able to finish.’ (Easy Read Version)

Answering these simple questions will determine if there is enough drive and passion to commit the new proposal. If that is the case, then the answers will also be necessary for the business plan. If there is not necessary commitment or resources to make the proposal a success—then finding out at this stage may prevent a costly mistake.

**INVEST FORWARD---MICRO-ENTERPRISE PROPOSAL**

Part of the Strategic Plan for every Teen Challenge Center should be to become self sufficient financially, and equip graduates to become trained and prepared with skills that empower them to become productive citizens.

Each center should identify products or services that are needed in their individual locations. Once identified, a simple business plan should be developed that will detail the product, training and marketing strategies, and required funding.

The micro-enterprise endeavor must be looked at its entirety to ensure that a reasonable plan has been designed and the need exists, as well as ensuring that personnel are available to make the venture successful prior to making funds available for the enterprise.

**DEVELOPING A BUSINESS PLAN - - - - OVERVIEW**

The importance of planning should never be overlooked. For a business to be successful and profitable, the managing directors much have a clear understanding of the Teen Challenge’s customers, strengths and competition. They must also have the foresight to plan for future expansion. Money is often an issue in the process of expanding. Taking time to create a simple business plan provides you with insight into your business.

A business plan is very specific to each particular business. However, while each business needs a unique plan, the basic elements are the same in all business plans. To complete an effective business plan you must dedicate time to complete the plan. It requires you to be objective, critical, and focused. The finished project is an operating tool to help manage your business and enable you to achieve greater success. The plan also serves as an effective communication tool for financial proposals.

**WHY WRITE A BUSINESS PLAN?**

1. It helps to focus ideas and serves as a feasibility study of the business’s chances for success and growth.
2. The finished report serves as an operational tool to define the Teen Challenge’s present status and future possibilities.
3. It is a strong communication tool for your business. It defines your purpose, your competition, your management and personnel. The process of construction a business plan can be a strong reality check.

Planning is very important if a business is to survive. By taking an objective look at your business you can identify areas of weakness and strength. You will realize needs that may have been overlooked, spot problems and nip them before they escalate, and establish plans to meet your business goals.

The business plan is only useful if you use it. Ninety percent of new businesses fail in the first two years. Failure is often attributed to a lack of planning. To enhance your success, you need to use your plan! A simple, well constructed business plan can prevent a business from a downward spiral!

**WHO SHOULD WRITE A BUSINESS PLAN?**

You, the owner/director of the business, should write the plan. It doesn’t matter if you are using the business plan to seek financial resources or to evaluate future growth, define a mission, or provide guidance for running your business—you are the one that knows the most about your business.

There are a number of software packages that can assist you in the formatting process: Business Plan Pro, and Palo Alto Software are only two of the many available. [www.offtoa.com](http://www.offtoa.com) is designed to help entrepreneurs start new businesses.

Only you can come up with the financial data, the purpose of your business, the key employees, and the management style—so you must do the majority of the work!

1. **THE EXECUTIVE SUMMARY**

 The summary should include:

1. The Teen Challenge center’s objectives
2. A brief description of the TC centers products or services
3. The market the TC center will compete in
4. A persuasive statement as to why and how the business will succeed, discussing the business’s competitive advantage.
5. Projected growth for the TC center and the market.
6. A brief description of the key management team.
7. A description of funding requirement, including a time line and how the funds will be used.

**INTRODUCTION:**

1. Why are you doing this?
2. How long is the plan for?
3. How are you doing this?

**DESCRIBE THE BUSINESS AND ITS GOALS**

1. What is the product/service you will be offering for sale?
2. What materials/buildings/land will be needed to create this product?
3. What machines are needed to create this product?
4. How will you actually go about making this product or providing this service?
5. If possible, include a picture/sketch of the product.

**MISSION STATEMENT:** (A successful Mission statement is brief and catchy)

 What do you intend to achieve, by when?

 How will you achieve the mission and develop the business?

**EXPERTISE:**

 What expertise, skills, and experience are necessary for this business proposal?

 Do I have these skills, or employ staff with this expertise, or how will I source the necessary expertise?

1. **MARKETING:**
2. Is there a customer demand for your product?
3. Identify your market, its size, and location.
4. Who wants your product? (Describe “the most typical” person that would probably buy your product:
5. Gender? Male or Female
6. Age range
7. Attitudes and beliefs found in this type of person.
8. What is your markets size—now and seasonally?
9. Where is your market—what are the transportation issues?
10. Explain how you plan to advertise and market your produce. (In great detail. Have an exact plan to “get the word out” about your product. List it below.
11. Local churches
12. Local neighbors
13. Print
14. Promotional materials
15. One-on-one sales
16. Explain your pricing strategy.
17. Premium, Every Day Low Price, Meet Competitor Price, etc.
18. How will you compare with the competition?
19. Who are (will be) your largest competitors? List them
20. How will your operation be better (and worse) than your competitors?
21. Why are you better than the competition? Give advantages you have over each competitor, and how you will get the potential customer to notice this advantage.
22. How are your competitors doing? What are their sales and profits?
23. (If Start Up) How will competition respond to your market entry? (If the business is almost certain to succeed, what effect will this have on the competition? An unusually successful business can hurt society if it drives other businesses and people out of business).
24. **FINANACIAL MANAGEMENT/PERFORMANCE**
25. Explain the source and amount of initial equity capital.
26. Provide a projected balance sheet-(What is the cash position of the business—Assets, Liabilities, and retained earnings.
27. Provide an income statement---(Profit and loss statement)
28. Provide monthly cash flow projections.
29. Provide the breakeven point/analysis—(Based on the income statement and cash flow).

All business should perform this analysis without exceptions. A break-even analysis shows the volume of revenue from sales that are needed to balance the fixed and variable expenses.

1. Discuss who will maintain or advise you on your accounting records and taxes, and how the records will be kept. (At the heart of any business operation is the accounting system. It may be important to have a certified public accountant establish your accounting system before the start of the business. At times there is a tendency to do it yourself. Remember—An incredible number of businesses fail due to managerial inefficiencies. Leave it to the trained professional to help you in the area of accounting and legal matters. You may need to secure additional resources before starting.
2. Provide “what if” statements that address alternative approaches to any problem that may develop.

 **D. OPERATIONS AND MANAGEMENT**

1. Explain how you will manage the business on a day-to-day basis.
2. What is the business management experience of the management team?
3. What are the functional areas of the business?
4. Who will be responsible for each functional area?
5. Who reports to whom?
6. Will you need to hire qualified personnel or train existing personnel? (Farm manager, accountant, etc.) (Are there qualified personnel available?)
7. What will the salaries be?
8. What management resources outside the company are available?
9. Lawyer
10. Accountant
11. Small Business Association
12. Local business information centers
13. Local universities and colleges
14. TC board of directors
15. Banker
16. Who is responsible for the final decisions?
17. Will you need to hire qualified personnel or train existing personnel? (Farm manager, accountant, etc.) (Are there qualified personnel available?)
18. Discuss insurance and issues pertinent to your business.
19. Need government approval, permits, etc.?
20. What time frames and costs are required to gain all the necessary approvals?
21. Who will manage this process?
22. Account for the production and delivery of products and services.
23. Discuss how this will continue to meet the mission and core values of your TC program.

 **E. CONCLUSION**

 Summarize your business goals and objectives, and detail your first steps to start this business.