

FCS 3300
Entrepreneurship
Western Michigan University

Business
Proposal Project

Fall 2011

Due
December 12, 2011

Table of Contents

	Page
Project Overview	3
Required Content	5
Content Guide	6
Written Proposal Format Guide	11
Written Proposal Grading Rubric	16
Poster Presentation	17
Poster Presentation Rubric	20
Team Evaluation Rubric	21

Business Proposal Project

FCS 3300 Entrepreneurship in FCS

Overview

Although an entrepreneurial venture is often the 'brain child' of an individual or group of individuals, launching a new venture usually requires outside support. Small businesses require startup funds from lending institutions, family and friends. The successful launch of a new product, service or business process within a large corporation requires the support of management and line staff. Introducing a new idea to a service organization, school or community group can be more successful when key people in the organization 'buy in' to the concept.

Convincing others to support your idea requires persuasive communication skills. Persuading others that your venture will be successful requires that you have a unique idea, and that you have researched its feasibility. Successful persuasion also depends on convincing others that the project's goals can be accomplished using a reasonable amount of resources.

The project in the course involves working in a team to develop a business idea and produce a thoroughly researched, well written, and flawlessly presented Business Proposal. The Proposal will contain the following information:

- Business description
- Mission/vision statement
- Market analysis
- Competitive analysis
- Marketing plan
- Operational plan
- Financial plan

As we move through course topics, we will be linking ideas, concepts, theories and processes to the Business Proposal project. The final project will take the form of a formal business plan, and will follow formats presented in our text and in other resources. Details relating to the content and presentation of each section of the proposal will be presented throughout the semester.

Evaluation of team proposals will be based on both *content and presentation*. Special consideration will be given to *evidence of application of course principles and concepts*, including:

- Purpose and context of a business proposal; includes writing style and physical features of the completed plan.
- Ability to write a mission statement
- Be able to write an effective executive summary.
- Ability to provide and defend a rationale for ownership form.
- Clearly articulate business description purpose, competitive advantage and core competencies.
- Demonstrate evidence of market research in preparation of market analysis and strategy development.
- Present and discuss basic financial information to support the business plan.
- Be able to justify decisions using relevant business principles.
- Use computer technology and formatting guidelines to prepare a professional product.

Business Proposal Development Process:

Step 1: Each student will develop an idea for a **new, innovative retail** business that serves a compelling need. Each student will conduct a **feasibility analysis** to support the idea. (Writing Assignment #2.)

- A 'retail' business is defined as a firm that sells a product or service to the ultimate consumer of the good/service. Thus, a business which produces a product and then sells it to a retailer doesn't fit this project's' parameters. You could, however produce a product or service and then sell it directly to the final consumer yourself.
- There are several limitations on the business idea:
 - The business will be one that would thrive in the target community.
 - No food service*/bars.
 - You should personally have some level of competency/understanding of the products or services that you propose, and the technology to create the product or service must be available.

Step 2: Business ideas will be evaluated by the class in small groups. The most viable/innovative/entrepreneurial ideas will go forward.

Step 3: Teams will work together to revise/improve ideas, and then move the idea forward to the business proposal.

What can you do to prepare right now? Practice your 'opportunity seeking' skills and think about ideas for an innovative, creative, retail concept that would succeed in Downtown Kalamazoo, Michigan.

Business Proposal

Required Content

<u>The Written Business Plan will include:</u>	<i>Format Outline Section (p. 127-129) in Zimmerer)</i>	Refer to Content in these Chapters
Executive Summary	I.	4
Business description and Vision statement	II	3, 4, 5
Market analysis and Competitive analysis	IV, IX	8
Marketing plan	VI, VII, VIII	8, 9, 10, 14
Operational plan	X; XI	4, 16
Financial plan	XII; XIII	4, 11, 12, 13
Summary	All section	Provide a brief conclusion of key points at the end of the plan.
Appendix	XIV	Include any supporting materials that support your plan's claims.
References	List of all references used , in APA format	

Business Plan Presentation

- The Business Plan should be presented in a 3 ring binder in the order below. Use section dividers to organize each section.
- Please do not use mylar sheet covers.
- Follow guidelines for proposal presentation found in Zimmerer, Chapter 4.
- The final proposal will be evaluated using the attached rubric. Include a copy of the evaluation rubric at the front of the notebook.
- Approximate length: 8-10 pages for narrative, plus Executive Summary, Appendix and References.
- Due Date: Please see syllabus

Business Proposal Project

Content Guide

This section presents the questions that your business proposal should answer. Review the chapters and lecture notes for guidance on preparing responses to each question. Keep in mind that the final proposal document should not be presented in question/answer format, but rather follow the written proposal format guide.

Business Plan Development

Business Description and Vision

This section answers the following questions for the reader. Refer to Section II in the Business Plan Outline in your text (pp. 127-129), and content in Chapters 3, 4 & 5 to guide development of this section.

Business Description

What is the purpose of your business?

What values will drive your business?

What products and/or services will you offer?

Which suppliers will you use? Give one or two examples in each product category.

What plans does your business have for future products/services offerings?

Who is your target customer?

What are the core competencies that your business will need to achieve its mission, goals and objectives?

What is the proposed legal organization of your business? Why did you choose this form?

Vision

Provide a mission or vision statement for the business. Follow guidelines in Chapter 4 of your text.

Business Plan Development

Market and industry analysis and competitive analysis

This section answers the following questions for the reader. Refer to Section IV and IX in the Business Plan Outline in your text (pp. 127-129), and content in Chapter 8 to guide development of this section. You can build on the feasibility analysis that was conducted for this business idea for this section.

Market and industry analysis

What are the demographic, psychographic and behavioral characteristics of your target customers?

How do you describe your trading area?

What is the size of your market?

Why is this an attractive industry to enter right now?

What does it take to be successful in this industry?

Is the market for your products/services growing, stable, declining?

What are the important and relevant trends (social, economic, cultural) that are likely to influence your market in the next 1-3 years?

What is the economic environment like in your trading area?

What is the economic and social environment like in your trading area?

How will your business exploit current opportunities (positive external options) in the market?

What negative external forces may inhibit your business' ability to achieve its mission, goals and objectives?

Competitive analysis

Which 3 existing businesses will your company compete with?

What are the strengths and weaknesses of each?

How will your business differentiate itself from your competitors?

What image/position do you envision for your business?

Business Plan Development

Marketing Plan

This section answers the following questions for the reader. Refer to Section VI, VII, and III in the Business Plan Outline in your text (pp. 127-129), and content in Chapters 8, 9, 10 and 14 to guide development of this section.

Marketing Plan

How will your business combine elements and strategic decisions related to the '4 Ps'.

How will you communicate with your customer?

What media will you use?

What is the proposed location for your business and why it is appropriate?

What will your store design, layout, signage look like?

What product quality level will be offered?

Will branded or private label merchandise be offered?

What are the key factors that will determine the prices you charge?

Which strategy will you use to introduce your business to the market?

What markup or price-per-hour is necessary to achieve a profit?

Will you offer credit? What type of credit?

Business Plan Development

Operational and Financial Plan

This section of the report should answer questions about how the business will operate with respect to management, staff and leadership approach. This section also presents financial forecasts (income statement, balance sheet and cash flow) and estimated startup costs and sources of capital.

Operational Plan

Who are the key managers in the business? What are their backgrounds and qualifications (both entrepreneurial and managerial)?

What is the company's overall management style?

Will you need to hire additional employees to run the business? Briefly explain how you will hire employees if needed in the future.

What form of ownership will you choose to organize your business?

What does the organizational chart look like for the firm? (Who will do what?)

How will managerial decisions be made in the business?

How will managers and employees be compensated and rewarded?

Financial Plan

See Power point guides on e-learning for further assistance

What does the Pro forma income statement look like for the first year of business? Include a pro forma statement based on the bizstats exercise in the Appendix, and a ½ page narrative explanation of the first year income and expenses in the body of the report.

How much capital will be needed for startup costs? Include a start up cost table in the Appendix, and one paragraph explanation of start up costs in the narrative.

How much cash will be needed in the first 3 months of operation? Include a 3 month cash flow statement in the Appendix. Provide one paragraph explanation in the body of the report.

How will you finance your start up and cash needs for the first 3 months? (Where will the capital come from?). Include several sentence explanation of equity financing.

What is the timetable for implementing your business plan?

Be sure to consult the Business Plan Format Guide for advice on conclusion, references, appendix and overall format of the business plan.

Business Plan Format Guide

Written Proposal

This guide has been prepared for students in FCS 3300 to assist in creating the written business plan project. This guide includes content requirements and guidelines for formatting the report.

Written Proposal Format Guide

Writing Style

The business plan is a document written to inform others about the entrepreneur's business idea, and to convince readers that this is an idea worth investing in. The purpose of the report is not to sell your product or service to the reader, but rather to sell the idea that this is a viable business idea. The report should be written in a professional tone, taking care to avoid slang, clichés and hyperbole. Use active voice form for the majority of your writing.

Report Format

Font. Use 12 point font, Times New Roman, Arial, Calibri or other easy to read font. Use one font consistently throughout the report. Tables may use 11 or 10 point font. Up to 24 point font may be used for the title page.

Spacing. Use 1.5 spacing throughout the proposal, except for tables, which may be single spaced.

Margins. Select 'mirrored margins' from the margin menu in Microsoft Word. This results in a 1.5" margin on the left side and 1" inch margins on top, right and bottom.

Page numbering and page breaks. The title page is not numbered. The Table of Contents page is numbered 'i'. Begin numbering with Executive Summary as page 1, and continuing to number consecutively through the end of the report. Place page numbers at the bottom of the page and center. User defined page breaks should be used after Table of Contents, Executive Summary and at the end of the main body of the report. The main body of the report should flow from one section to another with no user defined page breaks.

Presentation. The business plan report should be presented on 8 ½" x 11" white paper, and bound along left margin or in 3 ring binder of an appropriate size for the report content. Be sure that all pages in the report are uniform in size, and are aligned carefully. Print on single side only throughout the report. Do not use Mylar sheet protectors. Reports using sheet protectors will not be graded.

Title Page

The title page is the first page of your report. It should contain the following information, centered on the page:

- Title of your business and identification of document.
- Date
- First and last names of team members, with WMU email addresses

For Example:

The Flip Flop Shop
Business Proposal

MM/DD/YYYY

Team Member1	teammember1@wmich.edu
Team Member2	teammember2@wmich.edu
Team Member3	teammember3@wmich.edu
Team Member 4	teammember4@wmich.edu

Table of Contents

The table of contents page presents the sections of the report and corresponding page numbers. Suggested length of each section is given in italics. (Do not include suggested length in your report.)

For example:

		Page
Executive Summary	<i>1-2pages</i>	1
Introduction	<i>½ page</i>	3
Business description and vision statement	<i>½ page</i>	3
Market Analysis	<i>2-2 ½ pages</i>	3-5
Competitor Analysis	<i>1 ½-2 pages</i>	5-7
Marketing Plan	<i>2 pages</i>	8-9
Operational Plan	<i>½ page</i>	9
Financial Plan	<i>1-1 ½ pages</i>	9-10
Conclusion	<i>½ page</i>	10
References	<i>variable-no restriction</i>	11-X
Appendix	<i>variable-no restriction</i>	X-X

Number this page i.

Executive Summary (1-2pages)

The Executive Summary is a comprehensive summary of the contents of the narrative. Executive summaries are often used by potential investors to determine if it is a potential business idea that interests them. This summary should describe the business proposal in complete enough detail to communicate the essence of all of the business plan components. This section should be 1-2 pages in length. Number the first page of the Executive Summary 1, and continue to number pages consecutively to the end of the report.

Begin numbering this page starting at 1.

Narrative Section (maximum 10 pages)

Provide section headings for each section. Each section and paragraph within sections should demonstrate strong organizational writing skills, with clear introductory and concluding statements.

Introduction

The introduction should be ½ page, and should introduce the reader to your business idea, and preview the content of the narrative.

Business description and vision statement

This section answers the following questions for the reader. What is the purpose of your business? What values will drive your business? What products and/or services will you offer? Which suppliers will you use? What plans does your business have for future products/services offerings? Who is your target customer? What are the core competencies that your business will need to achieve its mission, goals and objectives? What is the proposed legal organization of your business? Why did you choose this form?

Market and industry analysis

Begin this section by answering these questions: What are the demographic, psychographic and behavioral characteristics of your target customers? How do you describe your trading area? What is the size of your market?

The marketing and industry analysis section should answer the following questions. Why is this an attractive industry to enter right now? What does it take to be successful in this industry? Is the market for your products/services growing, stable, declining? What are the important and relevant trends (social, economic, cultural) that are likely to influence your market in the next 1-3 years?

This section also addresses these questions: What is the economic environment like in your trading area? What is the economic and social environment like in your trading area? How will your business exploit current opportunities (positive external options) in the market? What negative external forces may inhibit your business' ability to achieve its mission, goals and objectives? You may want to build on the feasibility analysis that was conducted for this business idea for this section.

Competitive analysis

This section should answer these questions: Which 3 existing businesses will your company compete with? What are the strengths and weaknesses of each? How will your business differentiate itself from your competitors? What image/position do you envision for your business?

Marketing plan

This section describes your marketing strategy. The report should explain how the business will combine elements and strategic decisions related to the '4 Ps'. This section should answer the questions, "How will you communicate with your customer?, What media will you use?, What pricing structure will be used? (discuss markup, rates per hour as applies to your firm's activities). What pricing strategy will you follow?; What is the proposed location for your business and why it is appropriate? What will your store design, layout, signage look like?", and "What product quality level will be offered, Will branded or private label merchandise be offered?"

Operational plan

This section should discuss briefly the following: Qualifications of the management team, decision making responsibilities, staff requirements, days/hours of operation, special customer service offerings.

Financial plan

This section should present the first year pro forma income statement and first 3 months cash flow projections in table form. A narrative discussion of projected sales for the first year, and explanation of the data presented in the income statement and cash flow projection tables should be included in this section. If the team elects to complete the bonus balance sheet, this information can be included in the Appendix, as noted in the Powerpoint slide presented in class.

A statement of funds needed for startup should also be included in this section. This discussion should identify the total amount needed to start the business, and identify at least two sources and amounts of equity financing in addition to the requested loan amount. Include a detailed table identifying startup funds needed by category in the Appendix.

Conclusion

The final paragraph should summarize the essence of the plan, with a statement explaining why this plan is worth investing in.

References

List references used according to APA guidelines and formatting. The quality and quantity of references are critical to the overall quality of your proposal. Proposals with scant references drawn from questionable sources are viewed skeptically, and risk being overlooked by investors.

Appendix

The Appendix appears after the main paper and reference list. The Appendix should present supporting data such as articles, reports and copies of data used in the plan. The Appendix may also include lengthy tables, such as the Pro forma financial statements. All items in the Appendix must be referred to in the text of your plan. For example: *A recent article in National Gardener indicated that home gardening is on the rise (See Appendix).*

Items in the Appendix should be organized in the order in which they are discussed in your plan. For example, if you discuss a US Census report on page 2 of your report, then discuss the *National Gardener* article on page 3, place the US Census report first in the Appendix, followed by the *National Gardener* article.

Grading Rubric

Written Proposal

Team Name _____

Grading rubric/Section	Points	Scoring
Executive Summary	10	1 2 3 4 5 6 7 8 9 10
Business description and Vision statement	8	1 2 3 4 5 6 7 8 9 10
Market analysis and Competitive analysis	25	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20
Marketing plan	25	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
Financial plan	20	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
Operational plan	10	1 2 3 4 5 6 7 8 9 10
Summary/conclusion	4	1 2 3 4 5
Appendix: contents, organization	18	1 2 3 4 5 6 7 8 9 10
Writing Mechanics	20	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20
Presentation and Organization	10	1 2 3 4 5 6 7 8 9 10
Total Points	125	

Written proposals will be evaluated on above criteria. The main proposal should not exceed 10 pages, with additional pages devoted to appendices and references. Include all elements described in this Handout. Be sure to review all requirements of the project, and base your plan on concepts and principles presented in readings and class discussions. Proposal must be submitted in class on the due date noted in the syllabus to be considered for full credit.

Proposal: Oral Presentation

Final Exam Poster Presentation

The final exam activity for this course consists of your team presentation of business proposal concepts to the Hastings business community. Presentations will take place during the time slot for the final exam. There will be no additional final exam requirements.

Teams will create and present a professional poster based on the Business Plan written report explaining the business concept to the Hastings community. Details will follow on specific requirements for this assignment. This assignment is worth 50 points. Please see the rubric at the end of this section for presentation requirements.

Please see “Final Exam Poster Guide” powerpoint on Elearning for presentation requirements.

Grading Rubric

Poster Presentation(Final Exam)

Final Poster Presentation Rubric

Professionalism On-time arrival, preparation, personal appearance.	10	9	8	7	6	5	4	3	2	1	0
Interaction: effective articulation of project concepts.	20	18	16	14	12	10	8	6	4	2	0
Poster presentation: Organized, clear ideas. Error free; Attractive presentation; follows prescribed guidelines.	20	18	16	14	12	10	8	6	4	2	0
Points Possible 50											

Business Plan Team Evaluation

Using one column for each of your team members, complete an evaluation on the criteria listed. Your evaluation should be based on your careful consideration of each criterion. *Please enter the FIRST and LAST names of your team members in the columns, and then enter your evaluation using the scale below. Total the score for each team member. These scores will become part of your team member's grade on the Business Plan Project.*

Rate each behavior for each team member on a scale of 1 to 5 with 5 equaling 'Outstanding'.

Name of team member (PRINT FIRST and LAST name)					
Contributed course-related knowledge to project					
Was willing to listen to others' ideas					
Contributed creative ideas to the project					
Contributed a fair share to the project.					
Was dependable; attended meetings, submitted assigned work.					
Total Score for each team member					