

# Social Business Plan Template

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## Introduction

This template has been produced to give you an idea of the kind of things you’ll probably need to consider when setting up a social enterprise.

We’ve tried to keep things simple – but there’s no getting away from the fact that there’s a fair bit to think about when you’re starting out. We believe that thinking things through properly can make a big difference – and that’s what we hope this template will help you to do.

Some parts of the template will be more relevant to your social enterprise than others. There are lots of other templates out there – or you might just want to write your plan your way – but we hope that our plan is organised in a way which tells a story – and will therefore make sense to you and anyone who reads it.

The electronic version of this plan has [hyperlinks](#) in the text, which link to useful sources of information – particularly our social business planning site. If you’re

reading a hard copy of this, and would like an electronic version, please email [rob@thesocialbusiness.co.uk](mailto:rob@thesocialbusiness.co.uk) or visit our business planning site.<sup>1</sup>

This template isn't exhaustive – **there may be things to consider in your particular business which we haven't included here**. Please use it as a framework which stimulates you into thinking logically about your business – not as a 100%-foolproof social business-planning guide. If you think of something which should be added to this template, please get in touch with us at [rob@thesocialbusiness.co.uk](mailto:rob@thesocialbusiness.co.uk)

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## Your one page plan

Also known as an executive summary, this should give us a good overview of what you plan to do. It should be the last thing you write – but it will be the first thing most people read. Keep it to one page or less – you may want to write a short paragraph about each key section of the plan.

## Your service from your customer's point of view

A social enterprise only makes sense if it makes sense to its customers. With that in mind, please describe a typical “customer experience”, from the moment a customer recognises that they need or want what you offer, through to them becoming a regular paying customer of yours.

As with an executive summary, you may find it easier to write this section once you've written the rest of your plan – but it can be useful to include it early-on as it gives potential investors a good overview of your service.

## Market research

In this section, you explore the market that you'll be part of. Market research can be difficult to do, partly because it's hard to know *where* to begin, when to finish,

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<sup>1</sup> [http://thesocialbusiness.typepad.com/social\\_business\\_plans/](http://thesocialbusiness.typepad.com/social_business_plans/)

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and what to do in the meantime! To help you, there is some information on writing a DIY market research plan [here](#).<sup>3</sup>

The questions you will probably need to answer can be organised into the following categories:

- Your market
- Your customers
- Your competitors and partners

### Your market

Tell us about the market that you'll be part of. What you need to find out depends on the nature of your business, but things to think about may include:

- The size of your market – numbers of people, amount that they spend
- Any recent/up-and-coming changes/trends in your marketplace
- Any current/up-and-coming opportunities in your marketplace.

### Customers

Tell us about the people you will serve. You may wish to consider things like:

- Numbers of potential customers
- Relevant demographic information
- Their current buying behaviour
- Any emerging behaviour that represents an opportunity for you

You may want to do a customer segmentation – organising your customers into groups of people who have things in common. There is more information on how to do that [here](#).<sup>4</sup>

Try to estimate how many potential customers there are for your service – and then estimate how many of these people you would like to serve.

### Other customer groups

Some social enterprises have several customer groups. Sometimes one group of customers will use a service, whilst another group pays for it. Both groups are customers – so you need to find out about them. Similarly, some social enterprises need to serve several customer groups as their core customer group either isn't big enough, or isn't able/willing to pay what they need. It's worth considering these issues in this section.

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<sup>3</sup> [http://thesocialbusiness.typepad.com/social\\_business\\_plans/2007/01/getting\\_started.html](http://thesocialbusiness.typepad.com/social_business_plans/2007/01/getting_started.html)

<sup>4</sup> [http://thesocialbusiness.typepad.com/social\\_business\\_plans/2007/01/how\\_do\\_i\\_find\\_o\\_1.html](http://thesocialbusiness.typepad.com/social_business_plans/2007/01/how_do_i_find_o_1.html)

## Competitors

Think about who else is operating in your market. How many competitors are there in your chosen market? What do you know about them? What do they do well? Where are they not so good? You might want to think about things like:

- Their “offer” – what they sell
- Their prices
- What they do – and what they don’t do
- What they seem to be good at – and where they’re not so good (You can perhaps find this out by talking to anyone you know who is a customer of theirs)
- Who they appear to be targeting (and perhaps ignoring)

Remember – competition isn’t necessarily a bad thing – particularly in a niche market where a number of providers can stimulate a market and make it bigger for everyone! So don’t just ignore the competition – or dismiss them all as “not as good as us.” Think carefully about them – who knows, some of them may become partners.

## Partners

Who else is active in your market? Who else has an interest in serving the people that you want to serve? Who does similar things, but in the area next door to yours? Sometimes it’s better to work with other businesses, to spread the risk, share expertise or pool potential customers. Tell us about people you plan to work with – either in fully-fledged partnerships, or in looser alliances – to help your social enterprise to succeed.

## Turn your research into intelligence

Research for its own sake is pretty pointless. What matters is *intelligence* – what you’ve learnt from your research – and *action* – what you’ll do based on your research. In this section talk about what you’ve learnt from your research – and what you’re planning to do differently as a result. For example there may be a particular niche that you’ll serve, or a particular service that you’ll offer.

## Vision, mission and objectives

Your business won't succeed or fail based on a catchy mission statement or inspirational objectives. Nonetheless, in planning your business, working on your vision, your mission and your key objectives can be a really useful way to clarify the key things that you'll do, why you'll do these things, and what you'll hope to achieve by doing them.

If your social enterprise will be run as part of an existing organisation, you'll perhaps not develop a new vision and mission statement. Instead, it might be worth considering how your new product or service will contribute towards achieving your mission.

Even if your new social enterprise will run under the umbrella of a bigger organisation, you'll probably find it useful to come up with some key objectives for this particular service.

There's more information on one way to develop a vision, mission and objectives [here](#).<sup>5</sup> Some social entrepreneurs find it useful to organise objectives into two categories – financial and social – or three – financial, social and environmental. Organising objectives in this way can help you to explain to people how your business exists for more than profit.

## What will you do? (your activities)

This section is about story-telling. Talk about the basics of what your service will be like. You've explained what you're aiming to achieve in the previous section – now is the time to offer a bit more detail, such as:

- The services/products you will offer (and perhaps not offer)
- Who you will offer services to
- Who will deliver your service/sell your product?
- How you will charge for your service

This will be similar to the section on *your service from your customer's point of view*.

Often people find it useful to organise their activities into groups based upon their objectives. In other words, take each objective in turn, and explain the key activities you'll undertake to achieve each objective. Bullet points are fine – you can go into more detail in the sections that follow.

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<sup>5</sup> [http://thesocialbusiness.typepad.com/social\\_business\\_plans/vision\\_and\\_mission/index.html](http://thesocialbusiness.typepad.com/social_business_plans/vision_and_mission/index.html)

## People

In this section, it might be helpful to think about things like:

- How will your service be **delivered**?
  - Staff – how many?
  - Think about job descriptions and person specs
  - Recruitment – timescale, budget etc.
- How will your service be **managed**?
  - Management of staff
  - Reporting on progress to your Board, and to any investors. In particular, how will you monitor actual income targets versus budget?
  - How will you encourage feedback from customers? What will you do to ensure that your service is of a consistently high standard?
- How will your service be **administered**?
  - Customer service, marketing, feedback, financial administration and reporting etc.
- How will your service be **governed**?
  - How will strategic decisions be made? How will you ensure that your Board/Management Committee has the necessary skills, time and resources to manage the business strategically? Does establishing your social enterprise give you the opportunity to attract new people – with new skills – onto your Board?

## Earned income strategy

For many social enterprises, this is the hard bit! Outline your plans for generating earned income. Key things to think about include:

- What will your prices be? How will you arrive at these prices? If you will have different customer groups, with different prices, outline what you will charge each customer group.
- If you do plan to serve different customer groups, estimate as best you can how much of your time you expect to dedicate to each customer group.
- Have you considered all possible ways to generate income? For example are there any additional products or services you can sell to increase the amount of money you make from each sale?

## Other sources of income

It can be worth thinking creatively about other sources of income – either real or in-kind. Sometimes social enterprises are well placed to attract sponsorship or perhaps gifts-in-kind. As always, you need to balance the time it takes to find this support against the actual value of the support – but it's worth thinking about.

Don't underestimate the goodwill that people can feel towards a good social business.

## Your income projections in more detail

It can be very difficult to project how much income you will generate. Nonetheless, it is worth thinking hard about when you expect to generate income – and how much. We've provided you with a spreadsheet template – for a summary budget and for a detailed cashflow. You'll need to adapt this for your particular business – but at least it gives you a start. It will also be useful to list the assumptions that you've made in setting your income targets.

## Your overheads

Now, think about what you will spend in order to sell your product or deliver your service. Where possible, base your projections on real figures – either from your own service if you've done something similar before, from other similar businesses, or from quotes from suppliers. It's important to be as detailed as possible at this stage. Try your best to be realistic – many businesses struggle in the early days because they underestimated how much things would cost. Explain how you've arrived at your figures too.

Our budget template will give you an idea of typical categories for overheads. It's a basic template – and very general – but it should give you a good starting point.

## Financial projections – spreadsheet templates

You (or perhaps potential funders or investors) will decide how far into the future you need to project. It's fairly common to come up with a three-year plan, so that's what we've offered as a template:

- A budget for the next three years
- A cashflow forecast for the next three years – to show when money will go in and out of your business in “real-time”.

The budget template have been set up so that you can add detailed information in the yearly spreadsheets – which will automatically update the three year summary sheet.

## Nuts and bolts

This section covers the nitty-gritty of running your business. As it's about the nitty-gritty, it's hard to say what you'll need to cover here – as it all depends on your particular business. But you might want to think about things like:

- **Policies and procedures:** are there any that you'll need to develop?
- **Logistics:** how will your product get from A to B? Or where will you deliver your service?
- **Anything else:** use this section to consider any other boring, yet essential, parts to your business, such as who will collect your trade waste.

## Health and Safety

In this section, explain how you will identify and manage the health and safety risks inherent in your business.

Consider things like:

- What Health and Safety policies and procedures does your organisation have in place/plan to develop?
- How will you ensure that these comply with relevant Health and Safety regulations for your particular business?
- How will you ensure that staff are aware of and follow your Health and Safety policies and procedures?
- How you will carry out risk assessments for your work and who will be responsible for doing this?

## Marketing

We see marketing as *building relationships with customers* – both current customers and potential customers. Marketing doesn't have to be complicated – and you're likely to not have much to spend on marketing – but you should still have a basic plan of how to build those relationships. In this section you should explain what you plan to do.

You can read more about developing a DIY marketing plan [here](#).<sup>6</sup>

## Legal issues

### Insurance

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<sup>6</sup> [http://thesocialbusiness.typepad.com/social\\_business\\_plans/2007/03/your\\_monkeynuts.html](http://thesocialbusiness.typepad.com/social_business_plans/2007/03/your_monkeynuts.html)

Consider what insurance you will require for your service. If you're part of an existing organisation, don't just assume that your current insurance will cover your new activities.

### **Legal structure**

Will your new service be delivered within an existing legal structure? Or will you need to set up a separate legal structure? This will depend partly on the size of your proposed business – and on your current constitution.

If you run the business under your existing legal structure, are there any constraints that you need to be aware of – such as the people you can serve, the geographical area you can cover, or the amount of income you can earn?

This is an area where it's certainly worth getting advice from someone who knows what they're talking about. How will you get advice?

### **Employment legislation**

Are you aware of all relevant employment legislation?

### **Sources of support**

No social entrepreneur, however talented, can do it all on their own. How will you seek support – particularly in areas where perhaps you're not so strong? Consider these issues here, and have a think about how you will get help so you can achieve great things.

Maybe there's a local social enterprise adviser? Or is there a network for social entrepreneurs? Perhaps you could join an online network? Or maybe it's time to call in a few favours from friends with particular skills?

Thinking about these things might encourage you to contact friends or contacts to ask them to offer some help. Or it might help you to identify that you need to build up your network of contacts. Remember, if you need to pay for support, include it in your budget.

### **Added value**

Social businesses are about more than making money. In this section, explain what you will do to squeeze out every last drop of social benefit from selling your

service or product – whilst also ensuring that you get the basics right. If a café customer has to wait forty minutes for a coffee, the fact that it's organic, fair trade, local and job-creating starts to pale into insignificance!

Please also tell us how you will keep an eye on how you're adding value – so you can record what you've achieved – and identify areas where you need to improve.

## Action plan

Once you have completed your plan, you may wish to write an action plan – which details the key things that need to happen in order to implement this plan, who will do them, and by when.

**And finally...** Use this template as a guide which stimulates you into considering all the things you need to think about when setting up a social business. **We promise** that there will be things that YOU need to think about for YOUR social business that we haven't included here. But we hope that this template will at the very least give you a good starting point

Please keep in touch. Keep an eye on our [website](#)<sup>7</sup> and [blog](#)<sup>8</sup>, and on our [social business planning site](#)<sup>9</sup> – and consider signing up for our [free e-newsletter](#)<sup>10</sup>.

We wish you every success in your social business venture!

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<sup>7</sup> <http://www.socialbusinessconsulting.co.uk/>

<sup>8</sup> [http://thesocialbusiness.typepad.com/the\\_social\\_business/](http://thesocialbusiness.typepad.com/the_social_business/)

<sup>9</sup> [http://thesocialbusiness.typepad.com/social\\_business\\_plans/](http://thesocialbusiness.typepad.com/social_business_plans/)

<sup>10</sup> Sign up via either of the sites above