**Business PlaN template**

**For Community Based Organizations**

*[Company Name] | [Company Address]*

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**NOTE FOR TEMPLATE USERS:**

This template is offered as a tool to guide nonprofit organizations in the business planning and writing process. Simply addressing the questions or including the recommended information in this template will not be a sufficient planning process.

**The most important and beneficial part of having a business plan is the actual planning process itself.** This means that the best approach to business planning is to see the written plan as the end product of an essential process.

The business planning process allows the leaders and decision makers to take a step back and look at the organization as a whole—to connect the dots between the mission and the programs or activities.

A business plan provides clarity and is a means to tell your story effectively and persuasively. For outside entities, such as funders or partners, it can show that their time and energy will be managed well and put to good use. It can be used by everyone in the organization to align around. It helps staff and volunteers understand where they fit in the bigger picture and provides a roadmap that they can follow to help achieve the goals.

# **Executive Summary**

The Executive Summary should be written last and provide a clear, concise summary of the main points from each of the sections in the business plan. If a reader only has time to read the Executive Summary, there should be sufficient information on each section of the business plan that the reader has a general understanding of the overall business plan. The Executive Summary should be kept to a maximum of three pages.

# **Organizational Structure**

In this section, explain the organization’s history, vision, mission, and values.

Describe the legal structure of the organization. Is the organization a community coalition? Is it a nonprofit corporation registered with the Secretary of State? Is it a 501(c)(3) nonprofit organization recognized by the U.S. Internal Revenue Service as such? Is it another type of nonprofit organization with IRS recognition? Does the organization have any affiliates? Any subsidiaries? Is it part of a larger system?

Describe the organization’s governance. Is there a Board of Directors? Who is on the Board? Are there Board Committees?

# **Market Overview**

Before completing this section, you must complete a market assessment. As a nonprofit organization, you do have a market and you do have competitors. When conducting a market assessment, you will research and answer critical questions such as:

* Who are your beneficiaries? [[1]](#footnote-1)
* Who are your customers?
* What need are you attempting to meet for your beneficiaries?
* Which customers are most likely to fund your efforts?
* Is your beneficiary need expanding or contracting?
* How else are your beneficiaries getting this need met?
* Who are your competitors?
* Who are your collaborators?
* What are the core competencies of your competitors? Collaborators?
* How are your competitors or collaborators viewed by policy makers and funders?
* What are your core competencies?
* Where is their overlap with competitors/collaborators?
* How do key stakeholders view your role in addressing the problem versus that of competitors or collaborators?

With the information obtained from the market assessment, you will describe what problem you are trying to solve/what need you are trying to meet. How great is that need? Is it a growing need? Who are your beneficiaries, both known and potential? In what geographic area do you operate/provide services? What organizations are competitors? What organizations are collaborators? How are you collaborating? What is the benefit of the collaboration? Are there any opportunity costs[[2]](#footnote-2) as a result of the collaboration? Who are your customers? What is your competitive advantage? What is your value proposition?

Use data and cite sources to support your problem statement and description of beneficiaries, where available.

You should provide a profile of the organizations listed as competitors or collaborators. Who are their beneficiaries? What products/programs/services do they offer? In what geographic area do they operate/provide services? Why is the organization a competitor and not a collaborator?

# **Products/Programs/Services**

In this section describe what you do, how you do it, and what need(s) in the community it meets (which should reflect back to the ideas introduced in the Market Overview). Describe what you do and offer in order to achieve your mission.

While this section should be detailed, it should be written so that anyone who reads it can understand it. Do not use technical jargon if at all possible. If it is necessary, be sure to define or explain the jargon. This section is often the most important to many stakeholders, as it explains what the organization does.

If the organization provides a product, such as a training book, describe that. Explain how it is produced and distributed. If the organization has programs in place or offers services, describe these. What, if any, special features does the product/program/service have? What is the price of any product/program/service that you charge? How did you arrive at that price? Is it a competitive price? Does the organization hold any trademarks or patents for the product/program/service? If so, describe those here. Has the organization received accreditation or licensure for the product/program/service? If so, describe those here.

Explain any new products/programs/services planned and when they will be launched. Describe what community need or gap (as described in the Market Overview) it is filling and why.

# **Marketing Plan**

In this section describe who the organization is trying to reach (target audience(s)), how you are trying to reach them (communication channels), and what messages you seek to convey. Communication channels for a nonprofit vary and each should be described. These include websites, social media, newsletters, community events, donor solicitation, paid and earned media, and fundraisers. For each channel used, this section should describe the details, outcomes, and costs.

Describe the organization’s visual identity (name, logo, colors, font, etc.). Include screen shots and images of the organization’s visual identity in this section or in the appendix. Describe the brand image (how people in the community think of the organization) that the organization strives to convey. What actions does the organization take to keep its brand identity and brand image consistent with intentions?

Does the organization hold a trademark or any copyrights for its name, logo, tagline, marketing or promotional materials? If so, describe those.

# **Operations Plan**

Provide an overview of the “how” your organization runs day-to-day. Describe the management, staff, and volunteers. What key management positions are in place and who fills those positions? Include an organizational chart, including your organization’s Board of Directors (if applicable). Explain reporting and lines of responsibility. Identify current and projected staffing needs and plans to address future needs.

Describe the facilities of the organization, where they are located, and how they are used (e.g. offices, classrooms, food distribution, etc.). Are the facilities adequate to meet current need? Any plans to change or improve facilities in the near future?

What insurances does the organization hold? Are these adequate for current needs? Any expectations to increase, add or otherwise change insurance.

Describe key systems/software that are used to support organizational administrative needs and service delivery, including name, function, and cost. Are the systems adequate to meet current functions? Any plans to change or add systems/software in the near future? Does your organization own or license access to the systems/software? How readily available/analyzed is your data within the systems/software?

Does your organization have any partnerships to deliver its products/programs/services? Who are these partnerships with, and what kind of partnerships are they (e.g., Memoranda of Understanding, contractual)? Does your organization pay or receive payment from any partners, and what is that payment for? Are the partnerships adequate to meet current functions? Any plans to change or add partnerships to address future needs?

# **Performance Evaluation**

A nonprofit organization must not only achieve certain financial goals, in order to ensure sustainability, but also must meet its mission. This is often referred to as the “double bottom line.” In this section, explain how the organization’s performance is monitored and evaluated (e.g., who is responsible for collecting and reviewing data, how often are data collected). Describe how the organization is performing on key indicators and what the plan is to continue to thrive and meet the needs of the community served. The performance goals for the organization should be Specific, Measurable, Attainable, Relevant, and Timely (SMART).

# **Financial Plan**

This section should include a detailed explanation of the organization’s financial position. What are the revenue sources? What are the expenditures? What is the capital structure? Identify any debt, loans, investments, endowments. List any grants, significant contributions, and in-kind support. Include as attachments the following: financial statement, balance sheet, cash flow statement, budget, financial projections, and fund development plan.

This section needs to clearly demonstrate the organization’s financial position and what the organization projects in the coming year.

# **Appendices**

The documents listed below are provided for illustration as not all may be relevant to your organization. The appendices in a business plan can be used to effectively convey details that do not fit within the narrative of the business plan. Providing references to further details in the appendix allows readers to seek additional detail if they desire but does not disrupt the flow of the business plan if the reader does not require the additional detail.

* Articles of Incorporation
* Organizational Bylaws
* 501(c)(3) IRS Determination Letter
* Strategic Plan
* Fund Development Plan
* Marketing Plan
* Promotional materials (flyers, brochures, etc.)
* Resumes
1. Think about beneficiaries as the individuals or groups that benefit from the programs or services you provide. Think about customers as the individuals, organizations, or other entities that fund the work that you do (ex. foundations, government agencies, individual donors). [↑](#footnote-ref-1)
2. An opportunity cost is an opportunity that you forego for the sake of taking advantage of a different opportunity. For example, collaborating with an organization to offer a service rather than offering the service on your own. [↑](#footnote-ref-2)