

<<Community group Logo>>

<<Community group name>>

Business plan

*<<Prepared by:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_>>*

*<<Date>>*

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**Confidentiality Agreement**

The undersigned reader acknowledges that the information provided in this business plan is confidential; therefore, the reader agrees not to disclose it without the express written permission of <<*Community Group/Promoter*>>.

It is acknowledged by the reader that information to be furnished in this business plan is in all respects confidential in nature, other than information that is in the public domain through other means, and that any disclosure or use of this confidential information by the reader may cause serious harm or damage to <<*Community Group*>>.

Upon request, this document is to be immediately returned to <<*Community Groupy/Promoter*>>.

Signature

Name (printed)

Date

This is a business plan. It does not imply offering of securities.

**1. Executive Summary**

<< Introduce promoters here, and the reason you are now preparing this Business Plan.

This section should not be completed until the business plan is written. It will highlight all milestones in the company’s development over the next five years. It should sum up the following areas:

* Purpose of the plan
* Product or service and its advantages
* Market opportunity
* Management team
* Track record, if any
* Financial projections
* Funding requirements
* Reduction in CO2 emissions
* Remember that potential investors often make a provisional judgement based on the executive summary, and that their decision to read the main body of the business plan will depend on the information presented here. The appendices at the back of the plan contain more detailed information to support the main text of the business plan. >>

**2. Organisation Background and Vision**

**Legal Status**

<< Description of the people involved in starting the business:

* Legal status
* Management structure and areas of responsibility
* Shareholders names, no. of shares, % shareholding and cash investment to date if any

**Achievements**

<< Achievements to date in community energy for the organisation. >>

**Products and services**

<< Explain clearly what your product or service is and what it does.

* Background to its development
* Benefits and Features
* Unique selling points
* Advantages to customers
* Disadvantages or weak points
* Future developments >>

**Long Term Aim of the Business**

<< State the long-term aim of the new business. >>

**Objectives**

<< State the specific milestones to be achieved by the company over the next five years (promoting renewable energy generation, promoting sustainability, raising awareness, developing, installing and operating renewable energy systems etc). >>

**SWOT Analysis**

<< Analyse the strengths and weaknesses of the business and product or service, the opportunities that exist in the marketplace, and the threats to the viability of the project. This is best done in a matrix diagram as follows:

|  |  |
| --- | --- |
| **Strengths** | **Weaknesses** |
| **Opportunities** | **Threats** |

>>

**3. Business Strategy**

<< This section covers the ways in which communities can participate in renewable energy projects by virtue of an ownership stake or through community ownership. This section should consider business models that work with communities, businesses and local authorities in order to attract investment to generate investor returns.. >>

**Business Model**

<< Describe the status of the organisation and the benefit of same for key stakeholders. This could include tax benefits and capital cost advantages, individual investor gains, potential feed-in-tariff and the viability of the project. Describe any lease agreements and advantages over competitors as well as potential local authority/ municipal partnerships. >>

**Proposition to individuals and community groups**

<< Describe the benefits of membership of the organization both financial and environmental >>

**Proposition to partners in energy, financial and statutory sectors**

<< Describe the social, financial, legal and environmental impact on investment opportunities in relation to the project(s)>>

**4. Market Analysis**

<< This section covers market research and competitor analysis. You must show that you have done the market research to justify the projections made in your business plan. It must demonstrate that there is a viable market and that you can beat the competition in the market for sales. >>

**Target Market**

<< The market to which you are planning to sell the product or service. Analyse the segments of this market as follows:

* Size of each market segment
* Is the segment growing or declining?
* Characteristics of potential customers in each segment >>

**Total Market Valuation**

<< Show the total potential value of the market for this type of product or service, in all the targeted markets, domestic and international. >>

**Target Organisational revenue**

<< These figures are the basis for the sales figures in your financial projections and must be based on realistic assessments. Include average deal size, length of sales cycle, recurring revenues>>

**Market Opportunities in Renewable Generation and Demand Reduction**

<< Analyse what is happening in the market:

* Recent changes
* Future predictions
* Drivers such as demographic changes, economic and legislative factors
* Implications for your product or service
* Your plans to meet future demands and changes in the market >>

**Profile of Competitors**

<<Analysis of your competitors in the market:

* What are the competing products and services?
* Profile of key players (company size, turnover, profitability etc) and their market share
* Advantages and disadvantages of the competitors’ offerings >>

**Competitive Advantage**

<< This is your assessment of why potential customers will choose to buy your product in place of those profiled above. Advantages may include:

* Unique features
* Price
* New technologies or systems
* Better value to customers in terms of efficiency or cost/benefit ratios
* Greater compatibility with existing systems
* Include any independent validation or case studies >>

**Benefits to Clients**

<< This is what your product or service provides to potential customers in terms of their own business goals. Does your product or service enable them to:

* Increase sales
* Increase efficiencies
* Save money?
* Save time?
* Maximise resources?
* Reduce errors?
* Reduce downtime?
* Improve Customer Service, reduce churn, increase loyalty

What will buying your product or service actually do for the customer? >>

**5. Marketing/Sales Strategy**

<< This section sets out your strategies for reaching your target market (investors or membership), arousing their interest in your product or service, and actually delivering the product or service to them in sales. >>

**Marketing Strategy**

<< How you will position your product or service in the market and differentiate it from its competitors:

* Which segments of the market will be targeted first and why – (eg. shareholder members/ potential members/ partners and potential partners as well as funders and beneficiaries of fuel poverty alleviation programmes)
* How will this be developed to reach the full target market?
* How will you differentiate your product or service?
* What key benefits will be highlighted?
* What potential customers have you already targeted?
* Have you a test site in operation, and what feedback is coming from this?
* What contacts can be used to generate market awareness and sales?
* Who will do the marketing: staff, agency, reps? >>

**Recruiting members and volunteers**

<< How will membership increase, particular investor membership?

**Sales Strategy**

<< How you will sell your product or service to the target market.

* Directly
* Retail
* Distributor
* Agent
* Sales rep
* Website
* Revenue Sharing Partners
* Unique Selling Point

Analyse for each method the costs involved, whether it will reach the intended market efficiently, the control you would retain over the pricing and positioning, the logistics, and the overall integration with your marketing strategy. State the advantages of the methods you have chosen to sell your product or service. >>

**Pricing**

<< How you will set the price charged for your product or service. Considerations include:

* Competitors’ prices
* Level of competition in the market
* Perception of quality-price relationship by customers
* Production costs and overheads
* Chain of distribution and the added-value at each stage
* The extent to which the buyer can control the price

State how each product or service will be priced, referring to the income sources above. >>

**Marketing and Communications Strategy**

<< How you will promote your product or service in the marketplace.

* Advertising – where, when, how, to whom
* Public relations
* Direct marketing
* Website and internet marketing
* Exhibitions and conferences
* Word of mouth >>

**6. Financing a Community based project**

**Financing the project**

<< Describe how project will be financed

* Grant Aid
* Loans
* Energy Service Company (ESCO)
* Community Shares
* Energy feed-In-Tariff (REFIT)
* Tax Incentives
* Green Bonds
* Community buy-in to commercial project
* Social return – Sustainability Fund>>

**Required for:**

* Equipment
* R&D
* Marketing
* Staffing >>

**7. Governance and Staffing**

<< This is where you will outline the intended structure of the company in terms of management, number of employees, skills, experience, training and retention and the physical operational requirements to produce or supply the product or service. >>

**Management & Governance**

<< Include a diagram of the way in which the management of the new venture will be organised. This should show the areas of responsibility of each manager and the employees to be taken on over the next three years. >>

**Directors & Membership**

<< State directors and membership agreements and steps to be taken over the next three years. >>

**Staffing**

<< State what employees will be taken on over the next three years, the need for volunteers with which skill and in which areas of the business. >>

**Skills, experience, training and retention Plans**

<< Outline the planned employee and management development to be undertaken in order to maintain a skilled workforce. This should also tie in with the future market developments and any new product or service developments. >>

**Advisors**

<< State groups for which the group has secured a working relationship with a wide range of advisors and trade organisations>>

**8. Financial Projections**

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II Profit and Loss Accounts p

III Balance Sheets p

IV Cashflow p

**Requirements for Preparation of Projections**

Opening figures included based on latest Mgmt/Audited accounts

Shareholders Fund analysed into Share Capital, Share Premium and Retained Profits

Sales Assumptions provided by unit, price segment & geography and reconciled to pipeline

Expenditure categorised into R&D, Admin and Overheads and Promoters / key managers salaries

Identification of monthly and cumulative company operational deficits

Sensitivity analysis may be required, detailing strategies to be implemented if sales or expenditure targets are not met.

Projections should identify separately Operational Cash Flow and external Cash Injections

***I Key Assumptions***

<< This section reviews the key assumptions used in the financial projections. It is a guide to explain how key figures in the financial projections were arrived at. Included here should be items such as:

* Income sources
* Number of employees projected for each year and their intended salaries
* Projected investment in equipment and materials
* Projected R&D costs
* Depreciation allowed for
* Expected rent and rates charges
* Creditor days expected and debtor days allowed
* Expense calculations

This section should be brief and to the point. Further detail regarding these items can be placed in the Appendices. >>

***II Profit & Loss Accounts***

<< Attach here projected profit and loss accounts for the first three years of the company’s operations. >>

***III Balance Sheets***

<< Attach here projected balance sheets for the first three years of the company’s operations. >>

***IV Cashflow***

<< Attach here a monthly cashflow prediction for the first two years of the company’s operations. >>

**8. Risk Assessment & Critical Success Factors**

<< This section is used to provide information on the potential risks involved in the project the impact and probability of such risk and ways in which to mitigate the risk. The section will also analysis the factors involved in the success of the project/ This could include funding approval or legislative barriers. >>

|  |  |  |  |
| --- | --- | --- | --- |
| RISK | IMPACT  High/Medium/Low | PROBABILITY  High/Medium/Low | MITIGATION |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**9. Appendices**

<< This section is used to provide the detailed data on which the main text of the business plan is based, and to provide extra information of interest to the readers of the business plan. Items for inclusion in appendices vary from business to business, but normally include some of the following:

* Promoters’ CVs
* Detailed financial assumptions
* Most recent Company Audited Accounts
* Share Cap table and Investment history
* Term Sheet from Potential Investors
* Detailed market research findings
* Promotional literature
* Product or service information
* Details of company website
* Testimonials or letters of intent from customers >>