

WATER SECTOR TRUST FUND

Up-Scaling of Basic Sanitation for the Urban Poor (UBSUP)

|  |
| --- |
| **Training Programme on Sanitation as a Business**  **Business Plan** |

### Objective:

After having developed one or more areas of potential business opportunities, this session will prepare a business plan (and thus check viability) on one selected opportunity.

### General Comments:

This session follows the methodology used in UBSUP Document UBSUP Business Models and Plans from October 2014. It will include a detailed discussion and financial planning on one selected opportunity. The development of a business model and/or Profit and Loss Statement includes a lot of technical terms which most participants may not be familiar with. It is of utmost importance that the presenter ensures that everybody understands what is meant with each technical term. For example, what is value preposition?

### Implementation

1. The presenter will use the business opportunities noted down on the flip chart from the previous session. The crowd will be asked to identify the most promising or most relevant one to be further discussed. The presenter may facilitate the decision-making process.
2. After having identified the business opportunity, the business model canvas from the UBSUP Document mentioned above should be used. The presenter will guide through all nine elements (Customer Segments, Value Proposition, Channels, Customer Relationship, Revenue Streams, Key Resources, Key Activities, Key Partnerships and Cost Structure). Individually each element will be discussed with the participants. Outcomes will be noted down by the presenter.
3. After all nine elements have been discussed, the presenter tries to summarize the core idea of the business. What is the main activity, clients, etc. This should be confirmed with the group.
4. Now, since the business idea has been defined, a financial projection will be developed together with the participants.
5. Again, following the UBSUP Document UBSUP Business Models and Plans a preliminary business plan and Profit & Loss (P&L) Statement will be developed. Elements such as competitive edge, marketing, market segmentation, market needs, market growth, buying patterns, pricing strategy, sales forecast and personnel plan should be discussed. As for pricing strategy and sales forecast, different scenarios can be discussed and outlined.
6. All this information will be noted down and integrated into a simplified P&L statement.
7. The training session should end with an interesting figure on how much money such a business could make in the first year. This should give hopefully a strong message.