

## Green Future – PR2 Guidelines for Mentors



## The Green Future Business Plan Template

As the common rhetoric goes, **< Failing to plan is planning to fail >**.

A business plan is a document which supports an entrepreneur to detail the objectives of their organisation, and set out in stone a plan to achieve these goals. As part of the Green Future project, a Business Plan Template has been created to support mentors, entrepreneurs and educators to look at the objectives of their mentee, and examine in detail the methods and rationale behind these goals.

There are 8 sections which form the basis for the Green Future Business Plan, these include;

1. Details of your company;
2. Enterprise or service;
3. Management;
4. Marketing;
5. Finance;
6. Production;
7. Comments for mentee;
8. Comments for mentor.

**Guided instructions have been provided for each section below.**

## Section 1 – Details of your company

The first section of the business plan supports the mentor to develop a deeper understanding of the WHO behind the business. Section 1 can either be completed face-to-face or via the telephone.

Section 1 seeks to provide the mentor with basic details about the company, such as an intended name and the address of the company, the owners of the company and their contact details, and a brief description of the activities which the company plans on undertaking.

To support the entrepreneur to establish their own business, the Business Plan Template can be used to identify when they are in a position to open up their own business and to start trading.

## Section 2 – Enterprise or service

Once the entrepreneur has identified the basic details around the business that they plan on establishing, section two supports the mentor to identify the skills that the entrepreneur has.

In this section, the potential entrepreneur will look at their own skillset and their qualifications (if any), to see if they are in a position to create this business. For example, if someone wishes to trade as a plumber, it is important to identify that they have the relevant qualifications and training to allow them to trade. However, if they do not possess the training, the mentor should ask and provide information on relevant training opportunities in their field which would support them to achieve their aims.

After having identified the skill set of the entrepreneur, they should look towards future ambitions of their proposed business. SMART Goal Setting is an excellent example of how the mentor can ask **specific questions** that lead to **measurable** and **attainable results** that are **time bound**. Taking the example of a plumber above, a mentor should push the entrepreneur not only to define that they want to be a plumber, but that they want to become a qualified plumber within a 2-year time period.

Once the SMART goals and future ambitions have been established, the entrepreneur needs to consider statutory requirements that govern their operations. These will differ from country to country, but common examples include; the legal registration of the business; annual tax returns provided to the government;

payment and proof of payment of tax; compliance with Health and Safety Legislation; compliance with EU Directives depending on the nature of the business<sup>1</sup>.

The final part of section 2 asks the entrepreneur to consider who will be their accountant. If the entrepreneur does not have any knowledge of the role of an accountant or trustworthy accountants specific to their needs or their field, the mentor can provide examples or invite the entrepreneur to conduct their own research using online search engines or asking others.

### Section 3 – Management

In order to support the entrepreneur to fully develop their business idea, it is important for them to be able to verbalise why they set up their business. Some useful guiding questions could be:

1. What gap does your product / service fill in the market that is not currently being met by another organisation?
2. How will your product or service add “added value” to your clients?
3. What intrinsic motivators have pushed you towards wanting to set up a business?
4. What extrinsic motivators have pushed you towards wanting to set up a business?

Once the motivations, desires and rational have been identified, the entrepreneur can be supported to consider their network and those who will support them in performing some of the basic aspects associated with being an entrepreneur, including, the book keeping, the office duties, the tax returns and the selling. The entrepreneur should consider the frequency of these tasks, to support them to effectively manage their time and to ensure that tasks are completed on time.

Furthermore, the entrepreneur should consider how they will pay the people who work with them, or even themselves. Some questions around cash flow that can be asked include:

1. Will you use personal savings to keep the business afloat?
2. Will you require bank loans or support from friends and family?
3. What will you sacrifice to ensure that your employees are paid ahead of you?

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<sup>1</sup> <https://www.localenterprise.ie/Fingal/Start-or-Grow-your-Business/Start-a-Business/Business-Regulations/>

## Section 4 – Marketing

Without an effective marketing campaign, people will not be aware of a business. Therefore, it is important to ensure that the entrepreneur takes the time required to not only consider how and to whom they will advertise their business, but, provide details on market research conducted that supports the theory that there is a need for the business in the first instance.

Therefore, the first task of section 4 is to ask the potential entrepreneur to consider details of market research that they have undertaken to show that there is a need for a business in their area. If they wish to establish a food or drinks company and a plethora of businesses already exist, do they really need to set one up? However, if these do not cater to the needs of one specific group of people, such as vegans, vegetarians, or even those with food allergies, is this the added value that could support them in achieving success?

Market research can either be in the form of desk research or field research, with some examples and descriptions provided below

Desk research	
Field research	

The section on marketing also needs to consider how far is the entrepreneur willing to travel for their business? They should consider the geographical area that the business plans on reaching, in the case of the aforementioned plumber, would it make sense for them to market their project in a town over 200km away? However, in the case of a specialist in their field, would they find clients within 200km of their home and should they work at attracting online clients if feasible?

Finally, considering the key products or services that the entrepreneur intends on selling, the mentor should ask the entrepreneur about the outstanding features that they possess in order to make them surpass their

competitors. This exercise can be undertaken in the form of a SWOT analysis – using the strengths, weaknesses, opportunities and threats – of the business and the entrepreneur to help them grow further. For example, if in section 2 the entrepreneur identified that they have experience and qualifications in a given field – this could be considered as an opportunity for the business to grow. Additional questions that could be asked include:

1. What are your hidden talents or skills?
2. Are you multilingual?
3. Are you a risk taker?

## Section 5 – Finance

The fifth section will require the entrepreneur to examine the finances that they will need in order to meet their goals and objectives. It is split into two main sections, namely, (a) investment and start-up costs; and (b) profit and loss.

The first section, **investment and start-up costs**, will help the entrepreneur to consider how much money they have already invested in their business, and how much more money they plan on investing, in terms of transport, materials purchased, rooms / workspaces rented, or even the basic equipment needed to support the basic delivery of their services. This could also consider a laptop with internet access; printing facilities; tools of the trade; car insurance and associated costs. These costs will become clearer once the entrepreneur has provided their goals and objectives, their rational and their overall marketing strategy to date. It is therefore advisable to also enable the entrepreneur to consider other investment and start-up costs that they may need that are not considered in the list provided in the template.

Additionally, the mentor should make the entrepreneur aware of additional funding streams that may be available to them to support them in their opportunities, such as through Government Backed Initiatives, funding provided through local banks which are geared towards early stage entrepreneurs, loans from family members or even savings and cash in hand. One proposed activity that the mentor could do with the potential entrepreneur is a brainstorming session, through which they harvest as much information from the entrepreneur using the **5 Why's Approach**. Simply put, by asking the potential entrepreneur to explain

their rational five times, it is endeavoured to produce a plethora of additional opportunities, costs and funding streams.

The second section **profit & loss** examines the projected money that will enter and exit the business over the next twelve months. This section is sub-divided into four main subsections, namely (1) gross profit; (2) overheads; (3) net profit or loss; and (4) drawings.

In the first sub-subsection, mentors will support the entrepreneur to identify what their planned cash inflow will be for a 12-month period. Idea generation is important here in order to support the entrepreneur to consider different avenues for potential cash flow. This section also aims to consider the cost per unit and the expected revenue generated per unit.

In order to ensure that the entrepreneur develops a deeper understanding into the costs (overheads) that they will face through their business, the mentor should identify from the list of overheads provided, which ones might occur in the day-to-day operations of the business. For example, if the entrepreneur does not have access to a vehicle, then the associated fuel costs, wear and tear costs and car repayments may not be applicable to them. This list can be tailored to the individual needs of the entrepreneur, with a full list provided in the **Business Plan Template**.

The third subsection requires some calculations, through deducting the overheads from the gross profit. If a positive figure is obtained, the entrepreneur should be advised with caution on how best to invest their money for the next 12-month period. However, if the figure is negative, losses will be incurred by the business with the projected income and expenditure that was mapped out by the entrepreneur. They should be therefore advised to reduce or cut costs appropriately in order to ensure that their business is financially viable.

In the final section, drawings, the entrepreneur will be able to gain a deeper understand of whether the standard of life that they wish to live is feasible through their business options.

Section 6 provides an opportunity to the entrepreneur to detail from where they will conduct their business operations. The entrepreneur should consider if this will take place remotely, from their home, from a remote working hub, or other appropriate location. This question will become self-explanatory as the entrepreneur details their ideas. The mentor should also invite the entrepreneur to consider modifications that might be required to facilitate the operation of the business from that location. Points to consider could be:

- Additional plug sockets;
- Removing / adding partitions or walls;
- Adding wheelchair / accessibility options;
- Introducing additional security measures.

Businesses across the globe must interact with licenses or permits to support them in their daily activities. For a food business, this could be proof from a health body to ensure that the entrepreneur complies with the legislation; for a driver, this is a driving licence; for a construction worker, they may need to participate in Health and Safety training. In this section, the mentor should consider a range of these licenses, permits or laws that they must interact with through their operations.

The mentor should also invite the entrepreneur to consider the basic materials that are required to operate their business. These will have already been covered in the overheads section but will enable the entrepreneur to consider any additional measures that they may not have already thought about.

The final part of this section reflects on the potential growth of the business, and whether the entrepreneur will need additional staff after their first year of operation. This section can be supported through the information retrieved from Section 5 – Finance. If it is deemed that the business is loss-making after its first year, the entrepreneur may have to reconsider their plans for growth in year 2.



### **Section 7 & 8 - Comments for Mentee & Comments for Mentor**

Through these sections, if conducted remotely or over the telephone, the mentee and mentor can write down any additional thoughts, questions or statements that they have, that they would like to bring to the other persons attention.

There is not an onus on either person to complete this section, but can support deeper mentoring and capacity building.

