

College of Agriculture and Natural Resource Management

Department of Rural Development & Agricultural Extension

Department: Rural Development and Agricultural Extension

Course Title: Rural Livelihoods and Social Welfare

Course Code: RDAE 3112

Target Group: RDAE Year II students

ECTS: 5, Ch=3

Instructor; Mulugeta S. (MA); E-Mail:-*mulug.sita.asi@gmail.com*

**Individual Assignment /Exercises/ one**

The term livelihood is simply a means to a living, the means of gaining a living or a combination of the resources used and the activities undertakenin order to live. Based on this definition peoples engage (off farm, on farm or none farming)activities to make their livelihoodbatter and used as a driving force to eliminate poverty. Having this information list varies activities implemented in your surrounding area then…

🖝Select a single livelihood activity(**Business area)** and make short **Business Plan;**According to the guideline bellow.

***Section 1***: **Business Plan for "Business Name"**

* + Date
  + Business address
  + Phone
  + Email
  + Website

If addressing to a company or individual include:

* + Presented to: "Name"
  + Company or Financial Institution

***Section 2:***

* + - 1. **Executive summary:** Write this last. It’s just a page or two of highlights or a snapshot of your business. It provides a short, concise, and optimistic overview of your business that captures the reader's attention and creates a need to learn more. The executive summary should be no more than two pages long, with brief summaries of other sections of the plan.
* Describe your [mission](https://www.thebalancesmb.com/how-to-write-a-mission-statement-2948001) - what is the need for your new business?
* Introduce your company and the management and ownership.
* Describe your main product and service offerings.
* Briefly describe the customer base you will be targeting and how your business will serve those customers.
* Summarize the competition and how you will get market share (i.e., what is your competitive advantage?)
* Briefly outline your financial projections for the first few years of operation.
* Describe your [start-up financing](https://www.thebalancesmb.com/how-do-i-find-small-business-start-up-money-2948600) requirements (if applicable).
  1. **Company description:**

Legal establishment, history, start–up plans, etc. or describes what you do Describe the overall nature of the industry, including sales and other statistics. Include trends and demographics, and economic, cultural, and governmental influences.

* Describe your business and how it fits into the industry.
* Describe the existing competition.
* Describe what [area(s) of the market you will target](https://www.thebalancesmb.com/define-your-customer-before-marketing-2947197) and what unique, improved or lower cost services you will offer.
  1. **Sales and Marketing Plan/ Product or service:**  Describe what you’re selling. Focus on customer benefits./ the products or services you’re offering

A description of how you intend to entice customers to buy your product(s) or service(s), including advertising/promotion, [pricing strategy](https://www.thebalancesmb.com/retail-pricing-strategies-2890279), sales and distribution, and post-sales support if applicable.

* 1. **Market analysis** - research on your industry, market and competitors / You need to know your market, customer needs, where they are, how to reach them, etc.

In this section, you need to demonstrate that you have thoroughly analyzed the target market and that there is enough demand for your product or service to make your business viable. The competitive analysis includes an assessment of your competition and how your business will compete in the sector. You can turn to [How to Write the Competitor Analysis Section of the Business Plan](https://www.thebalancesmb.com/how-to-write-the-competitive-analysis-section-of-the-business-plan-2947025) for help. The [target market](https://www.thebalancesmb.com/target-marketing-2948355) description and competitive analysis portions can be two separate sections in the plan or combined as shown:

* Define the target market(s) for your product or service in your geographic locale.
* Describe the need for your products or services.
* Estimate the overall size of the market and the units of your product or service the target market might buy, potential repeat purchase volume, and how the market might be affected by economic or demographic changes.
* Estimate the volume and value of your sales in comparison with any [existing competitors](https://www.thebalancesmb.com/how-to-scope-out-competition-2948366). It helps to summarize the results in table form as in the following example which demonstrates that there is a gap in the high-quality sector of the market that your business intends to target.
* Describe any helpful barriers to entry that may protect your business from competition, such as access to capital, technology, regulations, employee skill sets, location, etc.
  1. **Strategy and implementation:** Be specific. Include management responsibilities with dates and budgets. Make sure you can track results./ Marketing and sales -- how you’ll market your business and your sales strategy
  2. **Funding request**:how much money you’ll need for next 3 to 5 years
  3. **Financial projections**: supply information like balance sheets/ Make sure to include at the very least your project profit and loss and cash flow tables. The financial plan section is the most important section of the business plan, especially if you need [debt financing](https://www.thebalancesmb.com/starting-a-business-finding-small-business-financing-2948106) or want to [attract investors](https://www.thebalancesmb.com/prepare-an-investor-ready-business-plan-2947200). The financial plan has to demonstrate that your [business will grow](https://www.thebalancesmb.com/top-ways-of-growing-your-business-2948140) and be [profitable](https://www.thebalancesmb.com/increase-your-service-business-profits-2948142). To do this, you will need to create projected income statements, [cash flow](https://www.thebalancesmb.com/cash-management-is-important-for-your-small-business-393118) statements, and balance sheets. For a new business, these are forecasts. A good rule of thumb is to underestimate revenues and overestimate expenses.

**Income Statements**

* The income statement shows your projected revenues, expenses and profit. Do this on a monthly basis for at least the first year for a startup business.

**Cash Flow Projections**

* The cash flow projection shows your monthly anticipated cash revenues and disbursements for expenses. It is important for demonstrating that you can manage your [cash flow](https://www.thebalancesmb.com/cash-flow-analysis-for-small-business-owners-2947137) and will be a good credit risk.

**Balance Sheet**

* The [balance sheet](https://www.thebalancesmb.com/balance-sheet-definition-2946947) is a snapshot summary of the [assets](https://www.thebalancesmb.com/assets-definition-2947887), liabilities, and equity of your business at a particular point in time. For a startup, this would be on the day the business opens. Note that a new business will have no accounts receivable entries on the balance sheet. Note also that the Balance Sheet is much simpler for unincorporated businesses without employees. Income tax, pensions, medical, etc. are only applicable to [incorporated](https://www.thebalancesmb.com/types-of-corporations-in-canada-2948060) businesses, as are earnings/retained earnings.

**Breakeven Analysis**

* Including a breakeven analysis will demonstrate to financiers or investors what level of sales you need to achieve to make a profit.

### Appendices and Exhibits: *an optional section that includes résumés and permits*

The appendices and exhibits section contains any detailed information needed to support other sections of the plan.

**Possible Appendix/Exhibit Items**

* Credit histories for the business owners
* Detailed market research and analysis of competitors
* Resumés of the owners and key employees
* Information about your industry
* Information about your products/services
* Site/building/office plans
* Copies of mortgage documents, equipment leases, etc. (or quotes on these)
* Marketing brochures and other materials
* References from business colleagues
* Links to your [business website](https://www.thebalancesmb.com/reasons-small-business-website-2948414)
* Any other supporting material that may impress potential lenders or investors if you are looking for financing​