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# Business Plan Guide



Advisory Services



# Business Plan Types

A sound business plan can keep your institution on track to meet your objectives for many years to come.

As a school leader, you will use your business plan to ensure that your decisions are staying true to your institution's vision and mission. Your plan will shape your institution's strategy and tactics to reach your vision. Lenders and other financial institutions will want to examine your business plan if you ever seek venture capital or decide to apply for any kind of business loan. Your business plan provides stakeholders and other interested parties with a succinct overview of your institution's operations.

## Business Plan Types

Creating a business plan can take time, but the good thing is that they tend to follow a consistent format, so you can basically work from a rough template to create yours. There are two common approaches used today:

### Traditional "Full" Business Plan

A traditional, full business plan is needed if you plan to request financing from traditional sources.

### Start-Up "Lean" Business Plan

You might prefer to start with a lean business plan format if you need to get your institution up and running quickly, your education business is relatively simple, or you plan to regularly change and refine your business plan.

BUSINESS PLAN GUIDE

# Traditional "Full" Business Plan



# Traditional "Full" Business Plan

A traditional business plan is made up of eight different segments. Each segment delves into a different aspect of your company's operations. Stakeholders will examine your plan in portions as well as a whole. That's why it's important to take your time with each section and ensure its accuracy and positive outlook for your institution. Below, you'll find a list of everything that should be covered in a traditional business plan.

A traditional, full business plan is needed if you plan to request financing from traditional sources. Bear in mind that even if seeking external funding isn't on your agenda now, having a traditional business plan already in place will make future funding processes much more straightforward.

**Note that when you write your business plan, you don't have to stick exactly to the following business plan outline. Use the sections that are relevant to your business and don't worry about the other sections for now. They can always be incorporated later if need be.**





## 1. Executive Summary

The executive summary is usually the first item that stakeholders look at. Only two or three brief paragraphs are required for this part.

The executive summary should include the following information:

- What kind of education business you're in
- How old is your institution (when was it founded)
- Overview of past successes
- Highlights/unique features of your business model

- Snapshot of future goals now, and in 3, 5, 10 and 20 years
- Outline of how you plan to reach those goals

## 2. Institution Description

This description provides a high-level overview of your institution. It's a bit more detailed than the executive summary, but it's still done in general terms.

This part should provide the reader with further information about your organization.

Begin this section with a summary phrase that describes your overall purpose.

For example, you may say, "TrueLeaf is a Swiss nursing school." Then, the phrases after that should expand on that: "We educate young people to become competent and caring nurses dedicated to the well-being of patients in Swiss clinics."

Discuss your target demographic briefly, as well as the number of students you already educate.



### 3. Market Analysis

In this section, you'll begin delving into the viability of your institution in the larger market. Assume that your reader is still intrigued and wants to learn more about your institution's market share.

Your objective is to persuade the reader that you have a good grip on your market position and that you are aware of the strengths and weaknesses of your rivals.

Discuss the following topics in this section:

- **A peek at the education industry – What is the size of the industry?**

What is its past, and what does the future hold? Is it expanding and changing at an exponential rate? Are you on the verge of launching a brand-new education business model?

- **Information on your target population**

Who are the people who make up your target market? What percentage of the market do you control? How much do you think you'll be able to claim in the future?

- **What are your strategies for meeting the demands of your target market?**

Is your program, field of study or service in high demand? What does your institution provide that your competitors don't?

- **Who are your competitors?**

Be as precise as possible. Answer the following questions: Who are they, what are their intakes, who are their students, and what is their market share? What are their advantages and disadvantages?

- **Challenges you'll have to face**

What problems does your institution have to deal with? Do you require external assistance? Do you require financing or lobbying for government regulation?

“If you don’t know where you are going, you’ll end up someplace else.” – Yogi Berra



## 4. Organization and Management

This section is all about the structure of your institution. To make this part more aesthetically appealing, you may want to utilize an organization chart. Include the names of the major functions, their leaders, as well as their work titles.

You'll also have to describe how your institution is structured legally.

A part dedicated to the relevant histories of important employees, including schooling, degrees, and certifications,

should also be included. Mention any essential people who have relevant work experience. This section essentially describes why those individuals are employed in these positions.

Finally, if you intend to hire more people, indicate it here. Discuss your reasons for wanting to recruit more individuals and how they will benefit your institution.

## 5. Service or Product Line

Now that you've defined your institution's organizational structure, market position, and key personnels' expertise, it's time to go into the specifics of your programs or service.

Begin by describing what your institution offers. Describe the programs or service in great detail, including any accreditations you may have. Include details like key faculty members. What technology and infrastructure do you use to create and deliver your programs?

Describe your working relationship with your faculty. Do you utilize mostly visiting lecturers? Do you have a tenure system?



## 6. Marketing and Sales

Details on how you advertise your institution should be included in the Marketing and Sales section. Your marketing budget, marketing techniques, and how you implement your marketing plan should all be included. You should also indicate how much of your marketing budget each school division receives.

You'll want to talk about your recruitment channels, general marketing activity, pricing strategy, and target market position. This will most certainly change over time, but anything that explains how you'll sell and advertise your programs and services should be included.

**In this part, you should answer the following questions:**

- Do you have a recruitment team?

- Do you utilize a recruitment funnel or a customer relationship management (CRM) service?
- What methods do you employ to market your programs and/or services?
- What changes do you expect to see in your marketing and sales strategy in the future?

## 7. Funding Request

This is where you'll lay down your financial requirements if you're seeking funding. Your objective is to make it crystal clear how much money you'll need over the next five years and what you'll do with it.

Indicate if you'd prefer a straight loan or equity, the conditions you'd like to apply, and the duration of your request. Give a clear account of how you intend to spend your finances. Indicate if you require funding to purchase equipment or infrastructure, pay staff or faculty, or cover certain expenses until income grows.

Always include a description of your long-term financial goals, such as debt repayment or the sale of your institution.

“A goal without a plan is just a wish.” – Antoine de Saint-Exupery





## 8. Financial Projections

This section is really crucial. It indicates the financial stability of your institution. This is where you can show that you have a solid financial basis and that you know how to manage and build a business.

**This part should contain your financial information, such as:**

- Past 12 months of income statements
- Past 12 months of cash flow statements
- Balance sheet

- Accounts receivable report
- Accounts payable report
- Statement of debts

## Appendix

Include here further details about your institution, such as description of your infrastructure, the resumes of key faculty, notable alumni, fundraising track records, scholarship programs.

Proper business  
planning  
demands that  
you focus on the  
self-interest of  
your customers  
at all times.

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# Start-Up "Lean" Business Plan



# Start-Up "Lean" Business Plan

Another approach to the traditional business plan is the lean business plan, which is considered easier to create since it only covers a few key elements. If the idea of writing a full, traditional plan is just too much right now, a lean business plan is a good alternative. Lean plans may be useful as a starting point, with the assumption that you will update and revise the plan frequently as time goes on.

You might prefer to start with a lean business plan format if you need to get your business up and running quickly, your business is relatively simple, or you plan to regularly change and refine your business plan. Note that it is always worth it to have a traditional business plan in place. Lean business plans are enticing because they are fast and easy to write, but they are not as useful or powerful as traditional business plans.

**Lean business plans often utilize "shorthand," such as charts and other visuals that describe your company at a glance.**





# Basic components of a lean business plan

## Key Partnerships

Make a list of the additional companies or services you'll need to manage your institution. Consider important partners such as suppliers, other education providers, learning technology providers, and others.

## Key Activities

Make a list of how your institution will acquire a competitive edge. Consider setting-up research institutes, starting an incubator, or selling some of your courses on third party digital platforms.

## Key Resources

Make a list of any resources you'll use to provide value to your students. Staff, faculty, cash, and intellectual property, government support programs

may be among your most valuable assets.

## Value Proposition

Make a concise and persuasive statement about your institution's unique value to the market.

## Customer Relationships

Explain how your students, (their parents) and industry stakeholders will engage with your institution. How will you build customer relationships and nurture alumni and industry partners'?

## Customer Segments

Talk about your target market. No business is for everyone. Be specific and knowledgeable about what market you are serving.

## Recruitment and Communication Channels

Exactly what recruitment and communication channels will you use? Will you use your own recruiters or a network of external agents?

If your communication channels are already in use, it's helpful to list profile names and hashtags, so the reader can check the veracity of your claims.

## Cost Structure

Will your institution prioritize cost-cutting or value-adding? Define your plan, and then make a list of the most important expenditures associated with pursuing it.

## Revenue Streams

Describe how your institution will generate revenue. Tuition fees, alumni membership fees, and the rental of infrastructure are just a few examples. List all of your income sources if your organization has more than one.

# Writing Your Business Plan

A business plan might appear to be a daunting document to put together. However, if you break it down into sections, it's entirely manageable.

Understanding the eight components that any successful business plan should include, which you've just examined, is the first step in learning how to develop a business plan.

To get started more easily, it's a good idea to reflect on why your institution was established in the first place. What was the driving force behind the decision?

What were the objectives? The executive summary will be based on this. The business plan then proceeds to present facts and information about your future ambitions in a logical sequence.

Remember that your business plan is an important document that may aid you in obtaining funding, navigating the future of your institution, and making financial, administrative, infrastructure, curriculum design choices.

If done correctly, it may serve as the cornerstone for your institution's overall culture.



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# Ready to start drafting Your Business Plan?

Does your company need  
help defining and  
implementing this template?

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accompany your teams  
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