

Chapter 1 Introduction to the Toolkit

This table explains which sections of the Business Plan are completed in each chapter of the toolkit:

Toolkit Chapters:	Business Plan Section Titles:
Chapter 1	Business Description
Chapter 2	Opportunity
Chapter 3	Marketing Competition Operations Technology Finance
Chapter 4	Schedule Impacts Closing and Executive Summary

1. PURPOSE OF THE TOOLKIT

So you are thinking of starting or expanding a clean energy business? This toolkit is a step-by-step guide to turning your clean energy business idea into a reality. The topics range from finding a supplier to determining your distribution strategy to preparing a financial analysis. In addition to explaining what information is included in a business plan, the toolkit assists you in compiling the data in an informative and convincing manner that can be used within your business or to attract financing.

The toolkit is written in general about development of clean energy business plans. Whether you are interested in a business selling electricity generated from hydropower to the national utility or a business manufacturing energy efficient cook stoves, the toolkit covers the topics that must be addressed in a business plan for any clean energy business.

2. HOW TO USE THE TOOLKIT

The first step in developing your business is to write a convincing business description. Once this is complete, all of the facts are then gathered to support your business description. After the facts are available, the feasibility of the idea is tested. Questions such as “can my customers afford my product or service” and “can I generate revenues” are answered. Next, the business plan is written and finally presented to the audience.

The Toolkit is designed to be read in its entirety. There are four chapters, each of which covers material that builds on content from the previous chapter. Each chapter produces a written document that will be used in preparation of the business plan. Therefore, completion of each chapter brings you closer to the final product – the business plan.

The table of contents for each chapter is as follows:

Chapter 1: Introduction

Purpose of the Toolkit
How to Use the Toolkit
Purpose of Business Plan
How to Describe Your Idea
Writing a Business Description

Chapter 1	Chapter 2		Chapter 3			Chapter 4			
Business Description	Opportunity	Marketing	Operations	Technology	Finance	Schedule	Risks	Impacts	Executive Summary & Closing

Chapter 2: Fact-finding

Self-Evaluation
 Gathering Information
 Market Factors
 Competition
 Customers
 Business Relationships
 Technology & Resource Issues
 Summarizing What Has Been Learned

Chapter 3: Feasibility Analysis

Feasibility Defined
 Opportunity Analysis
 Marketing Analysis
 Competitive Analysis
 Operations Planning
 Technology Details
 Financial Analysis
 Identifying Sources of Loans and Equity
 Putting it Together

Chapter 4: Business Plan

Lender and Investor Points of View
 Financial Planning
 Schedule of Activities
 Risks and Mitigation Measures
 Impacts
 Detailed Outline of a Business Plan

A typical Business Plan contains:

Cover and Table of Contents
 Business Description
 Opportunity
 Marketing
 Competition
 Operations
 Technology
 Finance
 Schedule
 Risks & Mitigation Measures
 Impacts of Business
 Closing
 Executive Summary
 Attachments

Analysis of the business plan outline illustrates the building block approach. For example, once Chapter 2 is completed the Business Description section of the business plan is completed and by the end of Chapter 3 more than half is already written.

Chapter 1	Chapter 2			Chapter 3			Chapter 4		
Business Description	Opportunity	Marketing	Operations	Technology	Finance	Schedule	Risks	Impacts	Executive Summary & Closing

5. WRITING THE BUSINESS DESCRIPTION

Unless you did a perfect job a few pages back, it is time to rewrite your business description. An example of how it may be presented follows:

Business Description

1. **The company:** _____ (name of company) is a _____ (existing or start-up) business. The company was established in _____ (year) according to _____ (country registered in) law. _____ (company name) is a _____ type of company meaning _____ . Since its founding _____ (company name) has accomplished the following:

_____ The company's mission is

_____. The management team is comprised of the following people (include names and experience)

_____ The company is owned by _____ and profits are distributed between _____.

2. **Location** of operation (country, region, village or nearest village and specific site – in terms of parcels of land as well as specific map location): The businesses headquarters are located in _____ Region/Province/Department/Area of _____ (Country Name), _____ km from _____ (Mapped Village, town). The business will operate in the following areas, which are _____ km form the headquarters. (List locations of operation and if any local offices are to be created)

3. **The product or service:** _____ (company name) will _____ (manufacture, distribute, sell) _____. The main activities include _____ . This is a good business opportunity because

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Specific examples:

- ❑ “The proposed business will sell its electricity to _____, the national utility under a power purchase agreement”.
- ❑ “The proposed business will install a local area grid and sell its electricity to the Village Cooperative, which will provide electricity to the 150 households in the Village of _____”.
- ❑ “The proposed business will sell pump sets to farmers within the _____ region of the country. Between ___ and ___ pump sets will be sold each year.”
- ❑ “The proposed business will sell small-scale solar electric systems to ___ households and businesses per year in the _____ region. It is estimated that ___ systems will be sold in the first three years.”
- ❑ “The proposed business will install _____ solar home systems and collect monthly fees from these households through a network of local collection agents.”

**CONGRATULATIONS!! You have completed the first version of your
Business Description.**

Chapter 1	Chapter 2			Chapter 3			Chapter 4		
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