



## GUIDELINES FOR PREPARATION OF BUSINESS PLAN

### **1. THE BUSINESS PROPOSAL FOR CSI (NU. 0.5 – 3 M)**

#### **A. BUSINESS BACKGROUND**

- i. Brief description of the project
- ii. Promoter's details (qualification, trainings and experience)
- iii. Project location and land availability
- iv. Final product (Include details such as annual production, unit of measurement, selling price for products)
- v. Supplier Details
  - a. Machinery/Equipment details
  - b. Raw material details
- vi. Management
  - a. Organization set up
  - b. Man power (required skills/expertise/qualification in team)

#### **B. MARKETING STRATEGY**

- i. Target market (domestic/international, if possible, with market confirmation)
- ii. Clear Customer segmentation and targets
- iii. Market penetration strategies
- iv. Competitor details (List of competitors, selling price and their strength and weakness)
- v. Market share of the competitor and expected share of the proponent

#### **C. FINANCIAL PLAN**

- i. Total Project cost
  - a. Debt proposed
  - b. Equity
- ii. Profit and loss account (Estimated income and expenses details for the 1<sup>st</sup> year)



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## **2. THE BUSINESS PROPOSAL FOR CSI (ABOVE NU. 5 M)**

The business plan must highlight business plan objective, main product, production capacity, location, market, employment generation and total investment.

### **Business Details**

1. Project outline/proposed activity
2. Project cost including working capital for 3 months
3. Installed capacity
4. Location of the Project - Details on the site and location of the proposed project (Gewog, Dungkhang, Dzongkhag)
5. Land requirement - Details including type of current land use, requirement in acres or sq. ft., land to be owned or on lease, etc.
6. Power requirement in KW
7. Foreign exchange requirement (Capital and recurrent)
8. Means of Financing (Debt and Equity)
9. Promoters detail
  - Background of the promoter(s)
  - List of promoters and their proposed shareholding percentages (if the business is proposed as company)
  - Details as to who is implementing the project? Mention the skills and experience of the Project Implementation team.
  - Management and Organization set-up: Details as to the functional executives including qualification, experience and over-all set up of the new business.
10. Raw materials required - Include details such as HS Code, annual quantity, unit of measure, unit price and source of each item for both domestic and imported raw materials.
11. Supplier Details - List of suppliers with details of each of the suppliers including whether the supplier is a large national or external supplier/distributor, Terms for supply and installation/distribution.
12. Final Product(s) - Include details such as HS Code, annual production, unit of measure, selling price for product(s).
13. Market Research
  - Target market including share percentages amongst domestic, India and other countries.
  - Indicate existing and potential market demand for the proposed product.
  - Provide details of the Marketing Strategy.
  - Market Penetration Strategies
14. Competitor Analysis
  - List of Competitors
  - Provide details on strength and weaknesses of major competitors
  - Selling price of the product and export potential if any



- Selling price of the competitor
15. Manpower (during operation) - Include for all categories such as managerial, technical, professional, skilled, unskilled and semi-skilled (National/ Non-National)
  16. Value addition - If the raw materials are imported and the finished goods are meant to be exported)

*Cost of production – Raw materials cost*

.....X 100

*Cost of production*

17. Brief description on manufacturing process/technology - Include details as to the basis of the selection of the production technology and its capacity
18. Rationale/Benefits of investment
19. Financial Analysis
  - Income Statement (5 years)
  - Balance Sheet (5 years)
  - Cash Flow Statement (5 years)
    - a. Net Present Value
    - b. Internal rate of Return
    - c. Payback Period
  - Initial Project Cost
20. Project Implementation timeline - Indicate here the expected implementation timeline of the project
21. Assumptions and references - This will include the assumption that has been made to each of the items above and references in terms of source of data.
22. Conclusion - Brief conclusion on the overall project covering all the above contents in summarized form.