



**M A S T E R I N G**

**CONVERSATIONS**

Supporting refugee entrepreneurs to extend their network and tell their business story

## **Annex 5. Template No. 2. NGOs business plan**

### **INTRODUCTION: GENERAL ASSUMPTIONS**

Usually, NGOs are non-profit organizations, which means that their goal is that all the income they acquire covers the expenses they incur in the context of the social purpose they serve.

NGOs cover a range of objects in order to be consistent with the purpose for which they operate. The management of migration flows is always a part of their activities. There are cases where NGOs have been set up to manage other forms of social problems and have also been involved in the immigration issue.

NGOs, to the extent that they follow some business activity in the form of a social enterprise, should develop an operating model in the form of a business plan.

For the majority of NGOs, business plans represent extremely specialized documents which they do not find it useful to develop except when it is a requirement of funding organizations or donors.

A business plan for an NGO is similar to that of a for-profit business plan. It serves as a clear, complete road map for the organization. It will answer questions like "what goals are we trying to achieve?" or "what is the true purpose of our organization?" and clear and simple answers should be given.

However, a business plan can still be very useful tool for an NGO because even a simple non-profit business plan pushes one to do research and to consider all the variables that will affect its long-term perspective

Additionally, a nonprofit business plan acts as a facilitator for obtaining loans and grants, attracting donors and qualified board members (usually VIPs to lend credibility), and keeping the NGO on track.

A business plan for an NGO should provide answers to important questions such as:

1. What are the activities developed to achieve the organization's high-level goals?
2. What is the plan to secure revenue to finance these activities?
3. What are operating expenses and specifically how are they analyzed?

Part of the operating plan is also the business model they will adopt. In recent years, the adoption of the **business model canvas** has dominated, which we also have as a dominant tool within the framework of the program.

### **1. STEPS TO ACCOMPLISH THE BUSINESS PLAN**

Before proceeding with the development of a business plan it is necessary to carry out a series of processes.

### **Articulate a mission statement**

A business plan for an NGO should start off with an articulation of the core values and the mission statement. Having a mission statement is essential for any company, but even more so for nonprofits.

The mission statement outlines the vision, the guiding philosophy, and any other principles that provide the purpose behind the work. This will help to refine and communicate the nonprofit message clearly.

Furthermore, a nonprofit mission statement can also help establish milestones, the problems the organisation seeks to solve, who the organisation serves, and its future goals.

Additionally, the aim of a mission statement isn't just about being able to showcase things externally, but also giving the internal team something to realign them if they get off track.

A mission statement is a compass to guide the team and keep the organisation aligned and focused.

### **Data collection**

For the preparation of a business plan, some data from the past and the present are necessary. Data related to operations and finances (such as revenue, expenses, taxes, etc.) is vital for budgeting and organizational decisions.

There is also data that nonprofits collect from third-party sources about how to effectively address the purpose they serve, such as shared data from other nonprofits and data from governments.

By properly collecting and interpreting the above data, the NGO will be strong and ensure that the organization is financially viable.

## **2. NGO BUSINESS PLAN**

In the following paragraphs we present in brief the minimum number of sections that a business plan of an organization must have, regardless of the object of activity, and the business model in the form of the BMC.

### **Outline**

The development of an outline is crucial for an NGO since it has complex activities that touch on social goals but whose implementation requires managerial activities like a for-profit organisation. The outline is a summary of the sections of the business plan.

The outline helps to make sure that all points of the plan are addressed so that if any deficiencies are found it can be routed back to data collection.

The outline should be written in a simple format so that all members of the management team can provide effective feedback.

It should be emphasized that developing a business plan is an ongoing process. This is not a static document, but a strategy and action plan that continually evolves as your organization moves forward over time.

It is also important to hold regular review meetings to monitor progress against the original plan. This process may coincide with regular interim reports or meetings with managing authorities and funding organisations.

A nonprofit business plan will include many of the same sections of a standard business plan.

## **Executive Summary**

This should be a clever short description of the complete plan. The statements for a summary should briefly touch on the activity itself, the “market opportunities”, the financial characteristics, needs and projections, and any other special aspect of the venture.

## **Business Description**

In this section there will be a clear general description of the activity regarding the educational activity as well as the other supporting activities (such as mentoring) so that the beneficiaries can start their own business.

Special emphasis should be given to the special characteristics of the NGO. The special characteristics of each structure should be clearly described, such as the legal form, the fields of their activity and especially those that refer to their involvement in the management of migration flows.

There should also be a description of the environment of each NGO on a political and economic level in the form of a SWOT analysis (see page 4).

## **Marketing Segment**

This section could be considered as the core part of the BP. In this section a detailed description of the activity is developed:

1. A description of the target "market". In the case of NGOs, a description of the target market will include the situation that prevails in the country of its activity regarding the qualitative characteristics of the immigration issue. As regards immigration there are transit countries and countries of final destination for immigrants. This data also creates different qualitative characteristics in relation to what was referred to above as the "market".
2. The strategies to be adopted in order for the NGOs to approach the migration flows and promote the service they offer. Also, these strategies are influenced by national policies in relation to the immigration issue.
3. The business model.

In this section of the BP, the description of the beneficiaries of the training activity will be made in accordance with the profile diagnosed in Entrepreneurship Survey tool. The training material may need to be differentiated depending on the end user. E.g. another structure and focus for skilled persons and another for the less skilled (in accordance to the CREA research findings).

There will also be an analysis of the "marketing" strategies, i.e. the strategies of approaching the beneficiaries, including the communication strategies.

## **Operations Segment**

The operations necessary for the implementation of the activity are described in this section of the BP. In particular parts of this description refer to:

1. The location where the action will be offered (the online activity also has functional requirements).
2. The persons who undertake the provision of the educational material to the beneficiaries or the tutors. Additionally, persons involved as mentors or tutors must be included.
3. Any other aspects of the program such as relationship with suppliers or interactions with the local communities (e.g. Populations living near the camps of immigrants), etc.

## **Management Support**

In this section there is a description of the people who undertake administrative roles and consequently have the corresponding responsibility. For these people, it is useful to have career experiences that qualifies them for those roles.

## **Financial Segment**

This section of the BP describes the financial plan that will support the implementation of the activity.

As mentioned above, the involvement of an NGO in an entrepreneurship training program for immigrants can be one of its multiple actions in supporting migration flows. Nevertheless, an effort should be made to determine the financial data and for this specific activity.

These data should include:

1. The part of the revenues that will concern possible resources of funding from various bodies, whether national or international, that finance the specific activity.
2. The part of the costs associated with the implementation of the action. These include the compensation (salaries?) of those involved in the activity either directly or indirectly (in this case the part referring to the activity will be calculated), whether they are trainers or administrative staff, the costs for the provision and operation of the location where the activity will be offered either in physical form either in online setting.
3. As well any other cost that is associated to the implementation of the activity such as consumables etc.

## **Critical-Risks Segment**

In this section of the BP should be described the significant risks that may arise from the involvement and implementation of the activity. The risks may refer to the economic environment (negative trends for entrepreneurship, e.g. Greece during the years of the memorandums or countries experiencing economic recession) but mainly to the political and institutional environment such as a violent change in the immigration policy of the host country or even in the political treatment in the activity of NGOs.

## **Milestone Schedule Segment**

This section should describe the important milestones that should be achieved with the respective time limit. These milestones should be realistic and can be established within any appropriate time frame such as quarterly, monthly, or weekly.

## **SWOT analysis**

SWOT analysis is a tool that could be very useful in many NGOs. SWOT stands for the Strengths and Weaknesses within the NGO. Strengths and Weaknesses refer to the internal environment of the organisation. Opportunities and Threats refer to factors outside the organisation.

We can also develop a SWOT analysis for a particular section of an organisation and consider it from these four points of view.

At the same time this SWOT analysis helps to scan the entire organization as it is at the time it is being processed.

This analysis is influenced by the political and economic environment of the country where the NGO operates. Also, this analysis is dependent on the time frame in which it is done.

Finally, the points described in the example below are indicative and not restrictive. This list can be developed to cover as many aspects of the items under consideration as possible.

