



Business Planning

Root Change's business planning methodology fosters process ownership, organization-wide participation, and active learning. Through a set of diverse techniques inspired by the learning-by-doing approach, participants engage in creative thinking, individual reflection, collective synthesis, and consensus-building around income-generating initiatives.

Among the different strategies available to advance organizational sustainability, the development of income-generating activities stands out as one of the most robust and high impact. This strategy, when operationalized through a systematic business planning process, fosters social entrepreneurship, better management practices, and new ways to fulfill the organization's mission.



Income-generating activities developed through business plans result in increased financial impact, quality, and viability. Business plans permit organizations to take advantage of demand-supply gaps, develop sound value propositions, create innovative processes, forge ground-breaking market strategies, and minimize the risk of investments. By implementing business plans, development organizations have discovered new skills and capacities, found innovative ways to serve their target population's needs, and created novel income streams to support their own sustainability. In short, business plans maximize the likelihood of success in income-generating initiatives by blending entrepreneurial spirit, organization's mission, and market opportunities.

Root Change's team has supported dozens of development organizations in diverse countries and sectors to design and implement successful business plans. Projects developed include internet cafés, training services, grocery wholesalers, small farms and bookstores. In all cases, the business initiatives have emerged from the local organizations' expertise, a promising business opportunity, and committed leadership to ensure long-term sustainability.

Root Change's Business Planning Framework

Root Change's Business Planning methodology begins with the dissemination of relevant knowledge resources to clients and the development of customized questionnaires and templates by trained facilitators. The business plan itself is developed through participatory presentations and working groups that stimulate knowledge sharing and action. Following agreement of a final business plan, Root Change facilitators convene plenary sessions for discussion and technical assistance.

The ultimate goal of the process is to create a business plan that ensures a continuous, expanding flow of funds to support the financial needs of the client organization. To do so, Root Change's business planning approach addresses the following topics:

- **Business Opportunity and Value Proposition** identifies the main characteristics of the initiative and defines a compelling business proposition.
- **Competitive Analysis** examines the pros and cons of the business initiative within the context of key market forces.
- **Market Assessment** analyzes the current and future market situation in relation to product or service features. Special attention is paid to the perspectives of clients and competitors.
- **Marketing Plan** comprises pricing, positioning, promotion, product or service development, and distribution.
- **Operations Plan** sets out the phases, procedures, and technologies required to generate the product or service and to create a competitive advantage.
- **Administrative & Legal Plan** defines the organizational structure, staffing characteristics and functions, and legal requirements that need to be addressed.
- **Financial Plan**; determines the total investment, sources of funding, revenue, costs, and financial results under different scenarios.

Outcomes

Through Root Change's business planning facilitation, development organizations identify and design detailed proposals for business initiatives. In addition, capacity is built among key staff in financial sustainability and knowledge of key tools and techniques for income generating activities.

Business Plans and Sustainability of NGO Networks

As part of a networks strengthening strategy in the PROREDES Project - Guatemala, JSI, Inc. asked our team to design and facilitate a financial sustainability process for 8 NGO networks. Working in rural communities of seven Altiplano departments, these networks were focused on improving basic health services for access to the Mayan population.

The financial sustainability process focused on creating new revenue streams to support networks' core costs and was anchored in a customized business plan methodology.

In order to build local capacity, the approach encouraged wide participation and applied methods such as coaching, facilitation, and technical assistance. The income-generating initiatives developed through the business plan process were an internet café, grocery wholesalers, small farm, bookstore, laboratory, and a dentist clinic. With our team's technical input, USAID and JSI awarded seed funds to six business plans. Currently, trained NGO networks have improved their financial sustainability and continue providing health services in the poorest areas of Guatemala.

For more information on how you and your partner organizations can take advantage of Root Change's Business Planning services, please contact Jacob Gray at jgray@rootchange.org.

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