

Creating a Business Plan

Once the Environmental Scan has been completed and reviewed by both the Planning Team and ECHO staff, and it is clearly indicated that the community both needs and can sustain a new clinic, the next body of work to be completed and reviewed is the Business Plan.

Why create a written business plan?

The official State of Michigan website contains the following endorsement regarding the importance of a Business Plan:

- *The process of putting a business plan together forces you to take an objective, critical, unemotional look at the business project in its entirety.*
- *A business plan is an operating tool which will help manage the business and work effectively toward its success.*
- *Financial backers will require one. A completed business plan communicates ideas to others and provides the basis for a financial proposal.*

Framework: *Business planning is the framework in which to structure concepts and information about a project. A well-written business plan will determine the feasibility of a project and lay out the action necessary to complete it. Taking an objective look at the business plan will identify areas of weakness and strength, pinpoint needs that might otherwise be overlooked, spot opportunities early.*

Financing: *The business plan also provides the information needed by others to evaluate a venture, especially if seeking outside financing. A thorough business plan will quickly become a complete financing proposal that will meet the requirements of most lenders.*

Coordination: *A business plan organizes, directs, coordinates, controls and facilitates the development of a project from its inception to its completion. No matter how the process of the plan is described, basic business planning is a systematic methodology for reducing risk and enhancing success for any type of business operation. http://michigan.gov/business/0,1607,7-255-52647_49454-18082--,00.html*

ECHO requires a business plan not only for the sense of history and direction it will provide to the larger Planning Team and Board of Directors, but also because a sound business plan:

- Demonstrates you have done your homework
- Ensures the design is needed, supported, and sustainable
- Demonstrates a desire to be in partnership for the benefit of the community

The audience for your Business Plan will include supporters at many levels:

- Funders
- Board members
- Volunteers
- Partner organizations
- The community-at-large

Presenting with a clear and unified voice will be an important variable in how the community understands and assesses your clinic, especially in this early stage when the work of the clinic cannot yet speak for itself.

How to create the Business Plan and who is involved?

As noted previously, the Environmental Scan is the foundation of the Business Plan. While the Environmental Scan clarifies the gaps in the health care safety net of the community, the Business Plan ensures that the ensuing design of the clinic is deliberate, supported, and sustainable. Many start up groups are tempted to avoid, gloss over, rush through, or otherwise diminish the importance of the Environmental Scan, but any effort to assemble the details of the clinic are premature without the foundational information the scan will provide.

The Business Plan Table of Contents will provide an outline of how the Environmental Scan will lead to the sequential development of the clinic model, the business model, the financial strategy, and the anticipated community impact, all working together to establish the legitimacy and merit of this entity in your community.

Table of Contents Focus:

- Proposed Clinic as a Response to Local Need: It is primarily the responsibility of the Operations Committee to design the basics of the clinic's operations.
- Business Model: This section will rely greatly on the work of the Planning Team as it involves a level of decision-making best accomplished by those who understand the “bigger picture” of clinic development.
- Financial Strategy: Clinic budgets will rely largely on the Operations Committee's work, and can be anticipated, in part, by the completion of the

Patient Flow Exercise, which assists in the process of outlining needed resources for the clinic. The corresponding funding plan for years 1 and 2 can be drafted, in part, by the Finance Committee, and then turned into final draft form by the Planning Team upon review.

- Community Impact and Executive Summary: These sections bookend the Business Plan, and might best be authored by the Planning Team leader, or someone who has taken on responsibility for the overall Business Plan. While some of the bullet points in these sections of the Business Plan will require thoughtful consideration on the part of the Planning Team, utilizing one author who can pull it all together will ensure consistent language and an overall cohesive document for the reader's optimal attention and understanding.

Review of the Business Plan:

Just as the Environmental Scan was reviewed first by the Planning Team and then by ECHO staff , so will the Business Plan be read and evaluated for feedback, recommendations and potential next steps. When presented to ECHO staff for review, the Planning Team Leader should be candid and transparent with the Planning Team's estimations of both strengths and challenges in moving forward with clinic development.

Should the Business Plan constitute a strong case for the success of your imagined clinic in your community, work by those engaged in the startup process will continue with the tasks as outlined in the Timeline and Benchmarks documents.

Should the Business Plan suggest that there are challenges to the clinic's development, success or sustainability, ECHO will deliberate on how to proceed with supportive services, how to revise the Timeline or Benchmarks to address these concerns, or how to consider new ways of moving forward. This is another go/no go point where a formal decision to move forward together in the ECHO process is made.