



Transportation Service Plans



ESSENTIALS OF TRANSPORTATION SERVICE PLANS

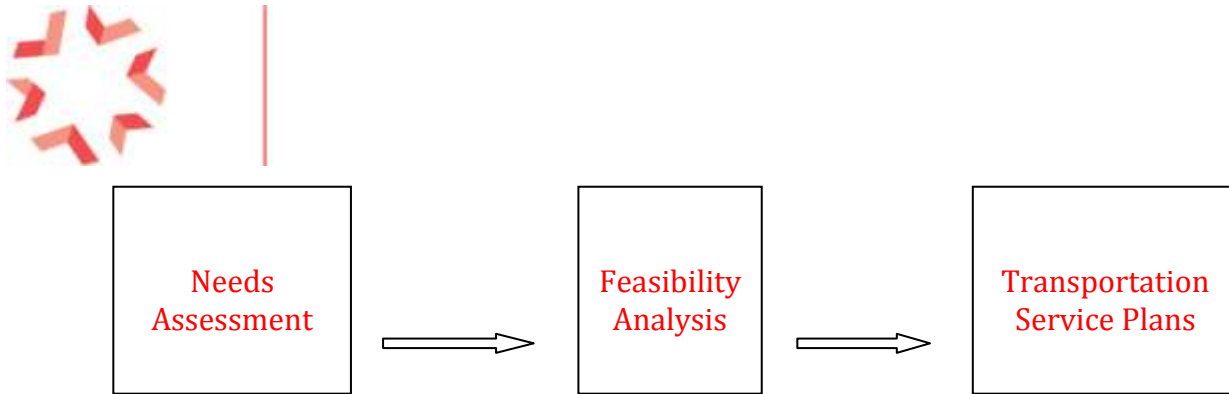
Introduction

The Transportation Service Plan is perhaps the most potent tool available to an agency that is approaching a source of funding or trying to raise other support for an enterprise, be it an in-house program, or a social-purpose venture that will contribute to the agency's purpose. A business plan, though, provides a number of benefits to an agency, other than being a tool for fundraising:

- It will provide a positive introduction of the enterprise and the agency to potential supporters
- It provides an opportunity for the directors to plan strategically for the future direction of the agency vis-à-vis the enterprise
- It is a valuable framework for management decisions
- It can provide a really valuable evaluation tool for measuring the progress of an enterprise undertaken by an agency.

When evaluating the potential for launching a social enterprise, the business plan, or what we call a transportation service plan, will in some ways be the ultimate step in the process. It is the step that follows a decision to move forward with the development. Typical steps in the development process will be:

- Perform a Needs Assessment to see where a gap exists in service provision
- Do some analysis of the gap, determine the potential causes for the gap
- Design an enterprise or program solution that will address the gap
- Carry out a feasibility analysis for the solution that includes not just the economic feasibility, but the capacity of the agency to carry out the development and operation of the enterprise, and the social benefits it will provide
- Provided there is a feasible way forward, make the decision to launch the development process
- Prepare the transportation service plan.



The transportation service plan itself has a number of objectives

1. It must introduce and *cast a positive impression* of the enterprise and the people involved in planning
2. It must introduce in detail the service that is being delivered
3. It must make a positive case for the need for the service
4. It must make a positive case for the success of the enterprise
5. It must lay out the financial framework for the development, launch and operation for 3-5 years
6. It must define the case for support

Following are the main components of a business plan, and the part each plays in building a strong case for support of the social enterprise development. For the purposes of this document, we will assume a business plan for an enterprise that will provide rides for seniors, being developed by a charitable non-profit agency.

Provide an Executive Summary¹

The executive summary is a condensed but critical summary of your entire transportation service plan. In some cases the banker, investor or other reader will make decisions after reading only the executive summary. An executive summary should:

- Briefly describe the business opportunity, the owner(s) and/or key management personnel, the service, your competitive advantages, and a marketing strategy.
- Outline your sources of funding, including your equity portion and your required portion; it will explain how the financing will be used.
- Explain how you will be able to accomplish your goals.

¹ "Business Builders' Tool Kit" Module 7; *Produced by:* Margaret Mahan, Vancouver BC, Greg Smith, Skeena Native Development Society, Terrace BC; Patti Dempster, Community Connections, Hope BC. January 2005



It creates a first impression of you and your enterprise:

- Use clear and concise language - although this applies to your entire business plan, it is especially important in your executive summary.
- Use words that command attention, and that get your reader excited about the opportunity you are presenting.
- Limit the length of your executive summary to 2 to 3 pages.
- Stick to the facts.

Investors are searching for evidence that:

- Justifies the soundness of your opportunity, and
- Gets them excited about what you intend to achieve.

Common mistakes with an Executive Summary:

- Lacking a specific focus
- Being too long and wordy, and failing to get to the point
- Trying to be all inclusive (it should be a powerful summary)
- Failing to demonstrate a special or unique opportunity
- Failing to outline the terms of the investment sought
- Failing to generate enthusiasm in the reader
- Failing to say why you will succeed

Introduce the Agency: The name of the agency, where is it located, how long has it been in operation, is it charitable? Describe the agency's purpose, services and programs. Include its vision, its mission statement and objectives. Talk about any awards or recognition the agency has received. Talk about the people involved – the executive director, some key staff, and key board members. For those who will be closely involved with the development, a resume should be provided. For others, a brief profile, one or two paragraphs, will usually suffice. The purpose is to provide the reader with a good sense of what the agency is, and is best when cast in a positive light. In general, the information needed for all of this will be available through interviews with key staff people, the agency's web site, and historical documents.

Introduce the Service: Give an overview of the service. Describe the work that was done leading to the conclusions both that this service is needed, and that there is a market for it. Now go into some detail about the service; who it is designed to serve, how it will be delivered, the scope – the geographical area it will cover and so on.

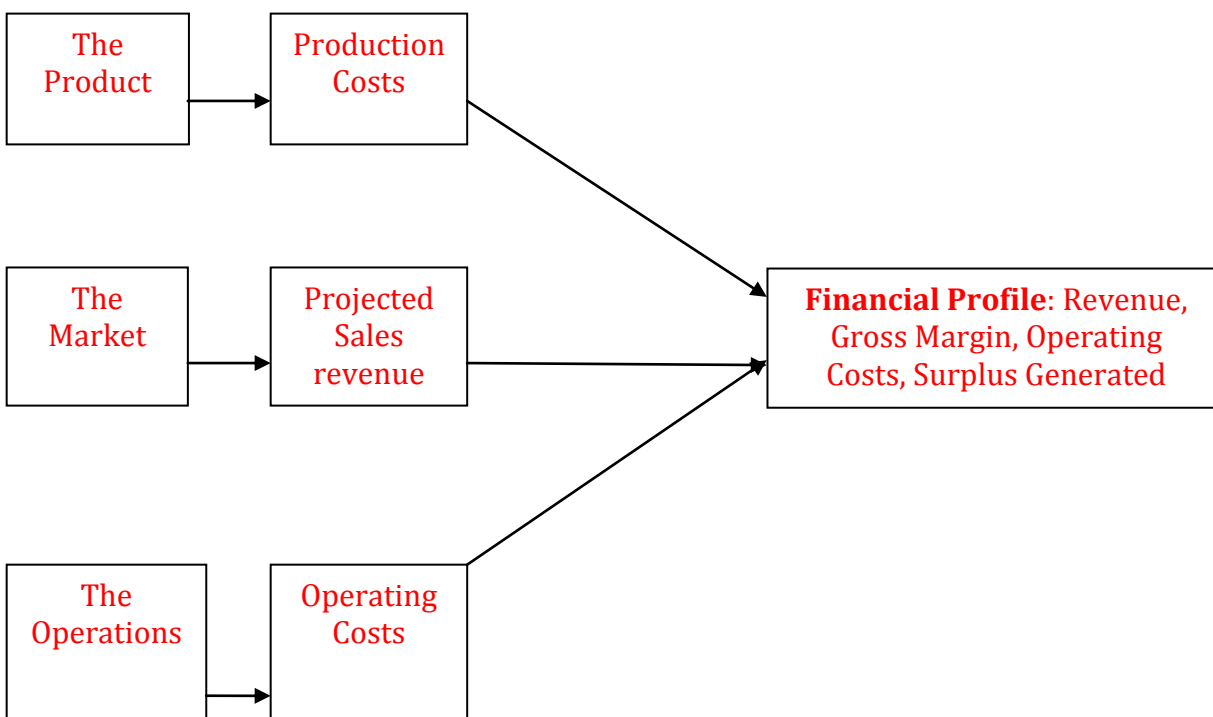


Introduce the Business Model: How will the enterprise be structured: will it start off as a program, and if so, at what point will that change, and how will it be restructured? Have you come up with an operating name? The purpose of this is to provide a thorough picture of the enterprise that you will be launching. There's no need for too much detail here, but it should be a complete enough overview that the reader has a good picture when he or she begins to read about the operations and financial considerations later in the business plan.

At this point the reader should feel like they have enough of a sense of the enterprise to go into some detail about the case itself. The presentation consists of 4 components, and these too are intended to build a picture of a well-planned enterprise with a clear set of objectives. The components are

- The Market
- The Revenue generated
- The Operations
- Financial profile

Each of these is also divided into sections that will include a profile of the "customer", analysis of the competition, pricing strategies, anticipated revenue, any licenses or required permits, any restrictions on the market or operations, and other aspects of the plans for the enterprise.





This is typically laid out in an **Income Statement** format, similar in form and content to an income statement for any type of business or non-profit agency. Generally this takes the form of

Gross Revenue – Production Costs = Gross Margin

Gross Margin – Operating Costs = Net Surplus

The Market

This part of the business plan will fall into four sections: Service User profile, Market Analysis, Competitive Analysis, and Marketing Plan.

Customer Profile: This will begin with a profile of the typical Service User, or typical User groups. For seniors, for example, needs differ somewhat according to age. This means that the service that is appropriate for seniors 65 – 80 years old may differ from that for elder seniors over 80 years of age. In this section, you will profile the demographic, the numbers of seniors in each age group that live within the geographic area you described above in the introduction to the service. What growth rate is anticipated in the numbers for your area? What is their financial profile? Much of this information will be available from the Needs Assessment and the Feasibility Analysis that you have created in preparation for the Transportation Service Plan.