

## GUIDELINES FOR DEVELOPING BUSINESS PLANS

ACCET Standard I C - Planning requires an institution to have sound, written one-year and longer-range plans that encompass both the educational and business objectives of the institution. The plans must support the institution's mission, facilitate the accomplishment of the institutional goals, and be updated at least annually. The plans must include specific and measurable objectives, with corresponding operational strategies, projected time frames, required resources, and method(s) for subsequent evaluation of each objective.

An acceptable business plan is not a wish list of what you want your institution to be in the short or long term. Neither is it merely a budget or a to-do list. Rather, the plan(s) is a road map for the institution that defines specific and measurable objectives to improve the educational and business operations of the institution, along with detailed steps (operational strategies) for achieving these objectives.

The most effective business plans have common characteristics:

- Involvement of key management personnel in creating the business plan.
- Communication of the plan to all appropriate employees of the institution so that the mission, institutional goals, and business/educational objectives (both short and long-term) are understood at all levels of the institution.
- Formal approval of the plan by the institution's governing board and/or senior management.

There is no set format for a business plan. While many successful plans are structured around the institution's goals, others are just as effective when they are structured according to the departments within the institution (e.g. marketing, recruitment, admissions, academic programs, curriculum, finance, etc.). Some plans are very succinct, while others have more extensive narrative, because the institution uses the plans for multiple purposes (e.g. securing financing for the institution). The important thing for you in developing your business plan is to make certain that it is realistic for your institution and that it both supports your institution's mission and facilitates the accomplishment of your institution's goals. Whatever the format, your plan must include: specific and measurable objectives, with corresponding operational strategies, time frames, required resources, and method(s) for subsequent evaluation; however, the one-year plan usually has a greater number of operational strategies under each objective than the longer-range plan.

**Operational Strategies:** The key operational steps that must be carried out in order for the objective to be achieved.

**Time Frames:** The projected time frames for: (1) achieving the stated objectives and operational strategies, (2) completing interim steps along the way, and (3) periodically evaluating the progress made in achieving the objective.

**Resources Required:** The human, fiscal, physical resources needed to achieve the objectives including: (1) the position(s) of the individuals assigned to champion the objectives/strategies; (2) the projected dollar amount budgeted to achieve each objective/strategy; and (3) any special equipment, supplies, and/or materials required.

**Evaluation:** Established method(s) and benchmarks for measuring the progress made in achieving the objectives and making modification, as warranted.

A good business plan consists of objectives that possess the following key characteristics:

1. **SPECIFIC:** Each objective is specific and outcome-oriented.

**Non-Specific Objectives**

- Improve marketing literature.
- Raise the profile of the school.
- Enhance the curriculum.

**Specific Objectives**

- Publish the catalog in Spanish.
- Double job fair participation in local schools.
- Revise the vocational nursing program to meet new State requirements.

2. **MEASURABLE:** Each objective is measurable and its achievement can be readily assessed.

**Non-Specific Objectives**

- Diversify student body.
- Increase student services.
- Obtain student feedback

**Specific Objectives**

- Obtain Title IV approval to make school more financially accessible to lower income student.
- Develop placement procedures that achieve 95% placement rate of graduates.
- Establish an internet-based program evaluation to be completed by students at the end of their program.

3. **ATTAINABLE:** Each objective is realistic, reasonable, and achievable.

**Non-Attainable Objectives**

- Double enrollments next session.
- 100% of graduates surveyed “would recommend the school to a friend”.
- Triple net profit.

**Attainable Objectives**

- Increase enrollment by 10% by year end.
- 90% of graduates surveyed “would recommend the school to a friend”.
- Increase net profit by 10% this year.

4. **TIME-BASED:** Each objective contains a deadline for achievement.

**Non-Time-Based Objectives**

- Open a new branch campus.
- Offer evening classes.

**Time-Based Objectives**

- Open a new branch campus in the local area by July of next year.
- Start an evening massage therapy program in October.

### SAMPLE OBJECTIVE FOR A ONE-YEAR BUSINESS PLAN

This is part of an institution's one-year business plan for the establishment of a new branch by the beginning of the next calendar year, something it decided to do in January of the current year. The plan groups strategic objectives according to subject.

**Objective: To open a new branch by the beginning of the next calendar year.**

Area	Strategies (Steps)	Who Responsible	\$	Time Frame	Method of Evaluation
					Written reports reviewed weekly by Senior Management to include:
Facilities	Determine location of new branch	President & Consultant	\$5,000	Apr	Market analysis
	Secure facility to house new location	President & CFO	\$6000/month for facility	Jun	Comparative analysis
	Negotiate lease	President & Attorney	\$2500	Jun-Aug	Status of lease negotiations
	Obtain permits & business license	President	TBD	Aug-Oct	Approval obtained
Equipment	Determine equipment needs & create budget	President & DOE	n/a	Aug	Needs analysis & budget completed
	Obtain quotes/select vendors	President & CFO	n/a	Oct	Comparative analysis
	Secure needed equipment	President & DOE	\$25,000	Dec	Appropriate equipment in place
Financing	Secure financing for facility and equipment expansion	President & CFO	TBD	Jun-Dec	Financing secured
Curriculum	Develop curricula for 3 new programs	DOE	\$30,000	Jan-Sep	Syllabi, lesson plans, etc.
	Contact other schools	DOE		Feb	Analysis of information obtained
	Contact curriculum consultants	DOE		Apr	Analysis of information obtained
	Conduct employer surveys	DOE & DCS		Jun	Survey analysis
Licensing	Secure program approvals from state	DOE	\$1330 x 3	Jun-Sep	Approval obtained
	Secure accreditation approvals	President & DOE	\$800 x 3	Sep-Dec	Approval obtained
Staffing	Hire Branch Admissions Director	President	\$60,000/yr	Sep	Appropriately qualified individual hired by projected date
	Hire Branch Director of Education	President & DOE	\$50,000/yr	Oct	Appropriately qualified individual hired by projected date
Marketing	Develop marketing plan for branch	President & DOA	n/a	Apr-Jun	Marketing Plan
	Implement plan	DOA	\$40,000	Jun-Dec, then ongoing	Analysis of leads, conversion, etc.

CFO = Chief Financial Officer; DOE = Director of Education; DCS = Director of Career Services; DOA = Director of Admissions