

## Plan of Action and Sustainable Entrepreneurship for Social Development

### خطة العمل وتنظيم المشاريع المستدامة للتنمية الاجتماعية

Ahmed SOUAHLIA, Assistant Professor\_Zian ACHOUR University\_Djelfa-Algeria

Adem RAHMOUNE, PhD Student.\_Ammar THALJI University\_Laghouat-Algeria

Saad MEGAS, PhD Student \_Ammar THALJI University\_Laghouat-Algeria

#### abstract:

This study which is entitled as "Business plan and Sustainable Entrepreneurship" aims to show up the importance of sustainable entrepreneurship in realization of economic, and social development. Thus its success comes through studying the idea of the entrepreneurial projects, and preparing a business plan in order to check the project profitability, and its susceptibility to succeed. Also it aims to give a detailed image about the business plan with its different sides (marketing, operational, organizational, and financial). And to clarify the concepts of sustainable entrepreneurship, its principles, and its relationship to the business plan.

#### ملخص:

تهدف هذه الدراسة المعنونة بـ "مخطط الأعمال والمقاولاتية المستدامة" إلى إبراز أهمية المشاريع المقاولاتية المستدامة في تحقيق التنمية الاقتصادية والاجتماعية. إذ أن نجاح المشاريع المقاولاتية يأتي من خلال إخضاع فكرة المشروع للدراسة ووضع مخطط أعمال للتحقق من مردودية المشروع وقابلية نجاحه. كما تهدف إلى إعطاء صورة مفصلة عن مخطط الأعمال بمختلف جوانبه (التسويقية، الإنتاجية، التنظيمية، التمويلية) أيضا توضيح مفهوم المقاولاتية المستدامة ومبادئها وعلاقتها بمخطط الأعمال.

#### Introduction:

Sustainable entrepreneurship has attracted growing attention in both scholarly and practitioner circles. Focusing on generating social, environmental and economic value, the notion has been raised more recently to address the contribution of entrepreneurial activities to sustainable economic and social development. The research paper highlights the elements of sustainable entrepreneurship and business plan.

The business plan is like a road map, the process of writing a business plan helps the entrepreneur to make good decisions and reach his or her goals. But starting up a business is not an easy task; it requires the translation of an idea into reality and requires discipline and a clear goal setting. And the entrepreneur faces various challenges when preparing the business plan, the main aspect is to recognize the future position that the entrepreneur wants to reach. The main question thereby is how to increase social, environmental and economic value by integrating sustainability in the business plan ?

#### Purpose

The purpose of this research paper is to explore the characteristics of Sustainable Entrepreneurship phenomenon and to explain the acquirement of resources and the structure of the business plan. Also to clarify a suggested sustainable entrepreneurship solutions for preparing a developed business plan.

## **I. The Business Plan**

Business plan is the written form for the entrepreneurial project, and it is a document about thirty pages includes the basic elements of the project, in addition to the nature, the kind ,and opportunities of the project based on the market and the competitive analysis, the work team who will realize the project, the necessary resources to the accomplishments, the attractive and reliable business model, and the strategy of start up, and the financial predictions about 3 – 5 years intentions of the entrepreneur toward the partners (Coster, 2009).

### **❖ The components of business plan**

#### **1. The Cover Sheet**

The first page of the business plan is the cover sheet. It serves as the title page and should contain the following information (Pinson, 2003 ,p55)

- Company name
- Company address
- Company phone number (including area code)
- Web address, if you have a web site
- Logo, if you have one
- Names, titles, addresses, and phone numbers of the owners or corporate officers
- Month and year in which plan is issued
- Number of the copy
- Name of the preparer

#### **2. Executive Summary**

The Executive Summary is the thesis statement of your business plan. It summarizes who you are, what your company does, where your company is going, why it is going, where it is going, and how it will get there. If

you are seeking funding, it specifies the purpose of the funding you seek and justifies the financial feasibility of your plan for the lender or investor (Pinson, 2003).

### **3. Marketing plan**

It is a logical sequence of steps which lead to define the marketing objectives and to formulate the plans that allow achieving those objectives (Malcolm, 2004,p103).

We can summarize the main steps of the marketing plan as the following (Butler, 2006,p132)

#### **3.1. The size and the nature of the market**

The first question we must consider here is about the scale of the market. Is it an international market or part of one continent? Is it a national industry or is it a local market, provided within a small geographical area? Here the entrepreneur would need to be even more aware of the importance of identifying and targeting the needs of the customers, rather than by simply promoting the quality of the product or the service.

#### **3.2. The target market share**

If the level of supply within a particular market has not reached full capacity, then the target market share will be determined by the capacity to produce and supply for that market. But if there is already a good deal of competition within it, then the target may need to be more modest.

#### **3.3. Market segmentation**

Market segmentation is best described as the process of analyzing the demand for specific goods or services, breaking them down into distinctive segments, and then identifying the characteristics of each segment to produce a marketing plan for that particular segment. In more simple terms, we are trying to identify the various groups or types of customers which share similar patterns of demand, to which we will be attempting to sell our goods or services, and then to target our sales effort towards those groups.

#### **3.4. The marketing mix**

There are four key elements of the marketing mix as being product, price, promotion, and place, although it has been argued that for service industries people, process, and physical aspects should also be considered.

The idea is that for each product or service being offered, there is an appropriate combination of these factors which will optimize the sales potential to the respective market segments. Where a product or service is relevant to more than one segment, then the components of the marketing mix will be modified accordingly to match the needs of the respective segments.

#### 4. The strategy

4.1. External environment (PESTEL) analysis : they are summarized as the following (Team FME, 2013,p44)

- ✓ **Political factors:** can include changes in: employment laws; consumer protection laws; environmental regulations, taxation regulation, trade restrictions or reforms, health and safety requirements.
- ✓ **Economic factors:** these issues include assessing potential changes to an economy's inflation rate, taxes, interest rates, exchange rates, trading regulations, and excise duties.
- ✓ **Social factors:** those need to be considered are those that have an impact on the market. These include: age distribution, population growth rate, employment levels, income statistics, education and career trends, and religious beliefs, as well as cultural and social conventions.
- ✓ **Technological factors:** the pace of change in technology is becoming more rapid, and often changes that impact the market share.
- ✓ **Environmental factors:** are the issues surrounding environmental protection and that include infrastructure, cyclical weather, and disposal of materials, energy availability and cost, and ecological consequences of production processes.
- ✓ **Legal factors:** that should be considered include current and impending legislation that may affect the industry in areas such as employment, competition, health and safety. Anticipated changes in legislation in the main trading partner countries should also be investigated.

**4.2. The competition analysis :** according to (Porter, 1980,p145) there are five competitive forces :

✓ **The intensity of competition:** competition in an industry is rooted in its underlying economic structure and goes well beyond the behaviour of current competitors.

✓ **Threat of entry:** new entrants to an industry bring new capacity, the desire to gain market share. The threat of entry into an industry depends on the barriers to entry that are present, coupled with the reaction from existing competitors that the entrant can expect.

✓ **Pressure from substitute products:** they are other products that can perform the same function of the enterprise product.

✓ **Bargaining power of buyers:** buyers compete with the industry by forcing down prices, bargaining for higher quality or more services. All at the expense of industry profitability. The bargaining power of buyers depends on their number and their purchasing portion; also it depends on the product differentiation.

✓ **Bargaining power of suppliers:** suppliers can exert bargaining power over participants in industry by threatening to raise prices or reduce the quality of purchased goods and services. The conditions making suppliers powerful if: their number is few, and they are not obliged to contend with other substitute products for sale to the industry, if the industry is not an important customer , also if the product of suppliers is an important the buyer.

**4.3. SWOT analysis :** is an analysis of your organization under the headings (Brown, 2006, p88):

✓ **Strengths :** factors that are present in the organization that will be helpful to achieve the aims;

✓ **Weaknesses :** problem issues present in the organization

✓ **Opportunities :** events happening outside the organization that could be helpful to achieve the aims and improve and grow your business

✓ **Threats:** potential events outside the organization that could cause problems in the future and could prevent the organization from achieving the aims.

**4.4. The competitive strategy:** according to (Porter, 1980,p62) there are three generic strategies that the firm can adopt:

- ❖ **Overall Cost leadership:** this strategy should be adopted only if a firm possesses, or has the ability to gain, the lowest costs of production within an industry. Hence the effective adoption of this strategy is available only to one firm in an industry at one time. By achieving a marketing mix (including price) with some proximity to the offerings of other firms this producer will enjoy higher than average profits through its higher margin.
- ❖ **Differentiation Strategy:** in this strategy, a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers. Differentiation can be achieved through a whole host of features such as better quality, lower price (or higher price for that matter), customer service, reputation, greater awareness, greater availability. The marketing challenge is to identify different features which will provide meaningful benefit to consumers (such that a competitive advantage will be gained). The benefit must be one which the company is capable of delivering; one that will be difficult for a competitor to copy or better (i.e. it should be a sustainable advantage).
- ❖ **Focus Strategy:** a firm following a focus strategy selects a segment or group of segments in the industry and tailors its strategy to serving them to the exclusion of others.

## 5. Operational Plan

The operations plan explains how the work will be done, how the business will be managed, and the business's location. Also, it describes : (Arnold, 2002)

- ✓ Business Inputs
- ✓ Facilities
- ✓ Operating Costs
- ✓ Licenses, Permits, Zoning, Insurance
- ✓ Capital Equipment

- ✓ Methods for Producing the Business's Product or Service
- ✓ Need for and Types of Employees
- ✓ Outside Services Used by the Business.

## **6. Organisational plan**

How many employees will be needed for the company to operate efficiently? What are the jobs will you need them for? At what stage in the business will they be hired? What are the qualifications/experience will they need to have? What hours will they work? What are the salaries and the benefits will they be paid? (Pinson, 2003,p22)

## **7. Financial Plan**

The financial plan presents the company's pro-forma financial calculations and projections. Investors are interested how fast the business can grow meanwhile the banks are more interested in the predictability and stability to minimize the financial risks. We need to take into account the possible loss of the business will produce in the first year. Every business has a startup period during which they lose money and produce loss before they can start to collect some profit. The pro-forma financial statements including the balance sheet and the cash flows show us how this period will be managed. So the financial plan is and emphasized section of the business plan because it converts all the other parts of the business - the opportunity, the operating plan, the marketing plan and business strategy into financial calculations and results (Jillek, 2016,p31).

## **II. The Dominant Conceptions of Entrepreneurship**

There are many definitions of entrepreneurship, and it is studied in many different disciplines. But there are three dominant conceptions are the following (Fayolle, 2012,p81):

### **1. As a process related to the concept of opportunity**

For Timmons, the transformation of opportunity is made independently of the directly controlled resources: "Entrepreneurship is the process of creating or seizing an opportunity and pursuing it regardless of the

resources currently controlled". The conception of Shane and Venkataraman: Entrepreneurship is "The scholarly examination of how, by whom and with what effects opportunities to create future goods and services are discovered, evaluated and exploited. Consequently, the field involves the study of the sources of opportunities; the process of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discover, evaluate, and exploit them". Shane and Venkataraman specify that the entrepreneurship does not require, but can include, the creation of a new organization. They are based, for that, on the work of Amit, Glosten, Mueller (1993) and Casson (1982) postulate that the entrepreneurship can occur within an existing company (in opposition to creating it for its own account). Casson (1982) assimilates opportunities as "occasions where new goods, services, raw materials and methods of organization can be presented and sold at a higher price than their cost of production."

Two points of view can be posed on opportunity. The first sees in this one an objective, identifiable reality as such. Opportunities would exist and it would be enough to have a capacity to recognize them, to adapt them, and to transform them into economic realities. The second postulates that opportunity is a social construction being born from the interactions and confrontations between an individual and an environment. Opportunity is modelled during a process of creation (of a company for example, but not surely). In this direction, it is not the starting point, the "objective" element which should surely be discovered to initiate this process.

## **2. A process of organisational emergence**

The entrepreneurship is conceived here like a process of organizing which leads to the creation of a new organization. The concept of organisational emergence applies to a phenomenon rising from the interaction of various stimuli such as the experiment, the ideas, and fascinating direction in a new combination. The interest of Gartner relates then mainly to the question of the emergence of this organization: how does it manage to exist?



### 3. The entrepreneurship: a process which evolves/moves under the effect of a dialogical individual-creation of value

The field of the entrepreneurship is thus conceived through a relation binding an individual (or a small team) to the value that at the last contributes to create, through his ideas, an opportunity, an innovation, contained elements in a project then in an organization. The dialogical principle means that two or several logics are dependent in a unit, in a complex way (complementary, concurrent and antagonistic) without the duality being lost in the unit. This dialogical falls under a double dynamics of changement and can be defined as follows:

The individual is a necessary condition for the value creation; he determines the methods of production, the depth...etc. He is the principal actor. The support of the value creation, a company for example, is the thing of the individual, we have:

INDIVIDUAL —————> VALUE CREATION

The value creation, via its support, invests the individual who is defined, to a large extent, according to him. It occupies a dominating place in its life (his activity, his goals, his means, his social status...), it is likely to modify his characteristics (know-how, values, attitudes. . ), we have:

CREATION OF VALUE —————> INDIVIDUAL

The dialogical creation of value <-----> individual can be recognized as an interacting system with an environment given to multiple components (family, professional, and dependent on the branch of industry concerned). This system developed in a process and under the effect of the time which is a dimension cannot be neglected. This representation joined, in a certain way that the important dimensions are: the individual, the environment, the organization and the process.

### **III. The Dimensions of Sustainability**

To remain viable businesses and companies must now incorporate and pay greater attention to these dimensions (3P's). They effectively measure and capture ecological, economic and social values. Each P will be explained briefly as the following (Langdon, 2010,p 55):

#### **1. People**

It is imperative for a sustainable business to value its workforce - hiring, developing and training the 'right' people that complement the business initiative. People reflect the behaviour of the business, in both social and ethical issues; human resource management is critical to this. Implementing good working conditions towards labour and the surrounding community in which it conducts operations. It is fundamental for workers to feel a sense of ownership and responsibility for their work. Fair salaries, tolerable working hours and conditions are the basics. Furthermore, the continuous investment into staff is very important. Support in health care, insurance and training programs proposes a learning environment.

#### **2. Planet**

Sustainability is crucial to the planet's longevity. If it is not already obvious, it is time for businesses to realize that unsustainable practices run the risk of losing their people – both employees and customers – and profit. Also sustainability strives to benefit the natural order, or at least do no harm to the environment, and endeavours to eliminate their environmental (ecological) footprint as much as possible. Moreover, it does not conduct business operations nor produce harmful or destructive products – it considers the natural environment and biodiversity.

#### **3. Profit**

The computation of the sustainability economic value differs to the traditional corporate accounting profit measure. Profit is the economic value created by the organization after deducting the costs of all inputs, including the cost of the capital tied up. While it is this traditional understanding of profit that enabled a starting point for the computation of sustainability economic value, the calculation of the sustainability

framework encompasses the 'real' economic benefit enjoyed by the host society. Therefore, the sustainability economic approach must account for other entities 'profits' which must be understood as social benefits.

#### **IV. Sustainable Entrepreneurship**

**1. Definitions:** It has been only recently that entrepreneurship is emerging as a new forum within which sustainability issues are being addressed. Entrepreneurship is concerned with activities to promote social-economic progress, creating new values, and providing employment opportunities. Therefore, entrepreneurship has the potentials to create value within each of the three dimensions (social, economic and environmental) of sustainability while boosting innovation through new products, services, and business models. The global stakeholders and constituents have been advocating and promoting entrepreneurship as a panacea for many social and environmental concerns (Hamschmidt Jost., 2008).

The term 'sustainable entrepreneurship' combines – or bridges – two concepts, sustainability and entrepreneurship. Sustainable entrepreneurship is characterized by some fundamental aspects of entrepreneurial activities which are less orientated towards management systems or technical procedures, but rather focus more on the personal initiative and skills of the entrepreneurial person or team to realize market success with environmental or social innovations (Dean, 2007).

Also it is defined as the process of sustainability entrepreneurship that creates enterprises that can be contributory and restorative in their interaction with human and ecological systems. Sustainable entrepreneurship gives primacy to sustainable development in full and therefore, unlike the other forms of entrepreneurship, provides a means of holistically balancing multiple ends and generating a 'virtuous circle' of positive benefit streams to the entrepreneur, to other people and to non-human nature (Schaper, Making Ecopreneurs: Developing Sustainable Entrepreneurship, 2010,p 68)

Sustainable entrepreneurship can be defined as an innovative "process of discovering, evaluating, and exploiting economic opportunities that are present in market failures which detract from sustainability". It is not distinct from phenomena such as social and environmental entrepreneurship, but offers a sustainability

perspective on these concepts and is therefore not restricted to profit-oriented organizations (Dean, 2007,p21).

## **2. Sustainability principles in entrepreneurial projects**

There are six principles of sustainability may imply for projects (Gilbert Silvius, 2012, p298)

### **a. Sustainability is about balancing or harmonizing social, environmental and economic interests**

In the current project management methodologies, the management of projects is dominated by the 'triple-constraint' variables: time, cost and quality. The triple-constraint variables clearly put emphasis on the profit. The social and environmental aspects may be included as aspects of the quality of the result, but they are bound to get less attention.

### **b. Sustainability is about both short-term and long-term orientation**

The inclusion of the long-term orientation stretches the system boundaries of project management beyond what is typically considered as the domain of project management. In the integrated life cycles view, one could argue that the boundary between the temporary project organization and the permanent organization does not exist anymore. This conclusion, however, confuses managerial responsibility and scope of consideration. The temporary nature of any project organization implies that the managerial responsibility of the project manager is also temporary. This temporariness, however, does not imply a short-term orientation. Since benefits of the project deliverable most likely occur after the project has been completed, a longer-term orientation, longer than the project life cycle, should also be included in the scope of consideration of the project.

### **c. Sustainability is about local and global orientation**

In an increasingly global business world, more and more projects also touch upon the geo-economic challenges faced by society. It is clear that the globalizing business world would also include globalized projects and project management. The impact of this globalization trend effects how project teams are organized and managed.

#### **d. Sustainability is about consuming income, not capital**

This aspect of sustainability refers to the principle that resources are not exhausted more or quicker than they may be regenerated. In projects this principle may apply to the use of materials, energy, water and other resources.

#### **e. Sustainability is about transparency and accountability**

Integrating sustainability implies that project managers are also accountable for the ecological and social aspects of their projects. Also, the principle of transparency suggests that project managers communicate potentially relevant events, considerations and decisions to (potential) stakeholders. So the integration of sustainability may require a more transparent communication with all (potential) stakeholders.

#### **f. Sustainability is about personal values and ethics**

Projects have specific values, norms and rules. These values are influenced by the project context, but also by the project manager.

### **V. Why Sustainable Entrepreneurship ?**

Traditionally, environmentalists have focused their attention on established corporations: “They have created all the problems, and they have to solve them”. The truth is that the ultimate drivers of the current environmental stress are consumers. It is also true that, until recently, little was known about the effects of industrialization. Today, large companies are doing much to reduce their sustainability footprint. At the same time it is true that large organizations lack flexibility and often the necessary culture to develop innovative sustainable solutions. That is why the future of sustainability is in the hands of passionate individuals driven to create environmental, social, and economic value. These are the individuals who will create the innovative technologies and business models of tomorrow (Oriol Pascual, 2011,p95).

### **VI. A Sustainable Entrepreneurship Solutions for the Business Plan**

✎ **Clearly developed business plans:** The business plan is intended as a means to create and capture value.

In the case of sustainable entrepreneurship, we talk about creating social and environmental value as well as

economic value. In other words, sustainability refers to the question of how to introduce a solution to the market, how to offer value and transform the solution into financial returns while maintaining core sustainability objectives. The business plan is not only important for the creation of the organizations, but also, it is important to define clearly the necessary economic strategy to preserve the long-term existence of the organization.

✎ **Maximizing firm value requires strategic thinking** that considers the long-term consequences of present choices. The decisions made by management can affect the firm's future cash flows and, therefore, material to investors and other financiers in their analysis of a firm's prospects.

✎ **The value creation is an economic and social reality through business plan:** the value creation is a condition for the entrepreneur. All the entrepreneurs need a motivation to start up their businesses, also to integrate, the social entrepreneurship which does not have lucrative goals only but its value is rather than economic. Also, it consists social and environmental values.

### **Conclusion:**

In this paper it was argued that sustainable entrepreneurship has the potential to contribute to the solution of environmental and social problems through entrepreneurial activity. Thereby, it aims at social transitions towards more sustainability. We propose that the business plan for start-ups is the ideal stage for incorporating sustainability dimensions into the entrepreneurial projects and that doing so will create a competitive advantage that results in long-term survival and maximizing value. Start-ups cannot afford not to pay more attention to sustainability practices and it is important that consultants and counselors in entrepreneurial support organizations begin to incorporate sustainability topics in their business advising services.

In addition to that, we concluded that sustainable entrepreneurship will not only be a key driver for our common sustainable future but also for business success. Because it is a progressive management approach

to generate new products and services, management systems, markets and organisational processes that increase the social as well as the environmental value of business activities.

## Bibliography:

- 1- Arnold, N. (2002). <http://network.bepress.com>. Consulted at 03 05, 2017, in [http://scholarworks.umd.edu/ruralinst\\_employment/8](http://scholarworks.umd.edu/ruralinst_employment/8)
- 2- Brown, B. B. (2006). Writing a Business Plan and making it work. Hampshire: Rowmark.
- 3- Butler, D. (2006). Enterprise Planning and Development: Small Business Startup, Survival and Development. Burlington, USA: Elsevier.
- 4- Coster, M. (2009). Entrepreneuriat. Paris: Pearson Education.
- 5- Dean, T. (2007). A theory of sustainable entrepreneurship: Reducing environmental degradation through entrepreneurial action. *Journal of business venturing*, 22 (1) (50-76), 58.
- 6- Fayolle, A. (2012). ENTREPRENEURIAT: Apprendre à Entreprendre. Paris: DUNOD.
- 7- Gilbert Silvius, R. S. (2012). Sustainability in Project Management. Farnham: Gower.
- 8- Hamschmidt Jost, M. S. (Éd.). (2008). Sustainable Innovation and Entrepreneurship. Cheltenham: Edward Elgar.
- 9- Jillek, M. (2016, February). CREATING BUSINESS PLAN: How to write a business plan. Master Thesis . CENTRIA UNIVERSITY OF APPLIED SCIENCES, Ylivieska.
- 10- Langdon, K. (2010). Consulted at 02 19, 2017, in Thefabricator: <http://www.thefabricator.com/article/shopmanagement/the-3-pas-of-sustainability>
- 11- Malcolm, M. D. (2004). Les Plans Marketing: Comment les établir? Comment les utiliser. (P. Chaix, Trad.) Bruxelles: Boeck.
- 12- Oriol Pascual, A. v. (2011). Create Impact! Handbook for sustainable Entrepreneurship. Consulted at 02 19, 2017, in Enviu: [http://akep.eu/wp-content/uploads/2015/06/60\\_Creating\\_impact\\_full.pdf](http://akep.eu/wp-content/uploads/2015/06/60_Creating_impact_full.pdf)
- 13- Pinson, L. (2003). Anatomy of Business Plan (éd. 5). California, USA: Out of your mind into the market place.



- 14- Porter, M. E. (1980). *Competitive Strategy: Techniques for Analyzing Industries and competitors*. New York: free Prsee.
- 15- Schaper, M. (Éd.). (2010). *Making Ecopreneurs: Developing Sustainable Entrepreneurship*. Farnham: Gower.
- 16- Team FME. (2013). *PESTLE Analysis: Strategy Skills*. Consulted at 03 12, 2017, in [www.free-management-ebooks.com](http://www.free-management-ebooks.com): <http://www.free-management-ebooks.com/dldebk-pdf/fme-pestle-analysis.pdf>