



# Planning your Business

*Business Planning Concepts and Principles*

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# Business Planning

- What is Business Planning?
- How to do?
- What is in a Business Plan?



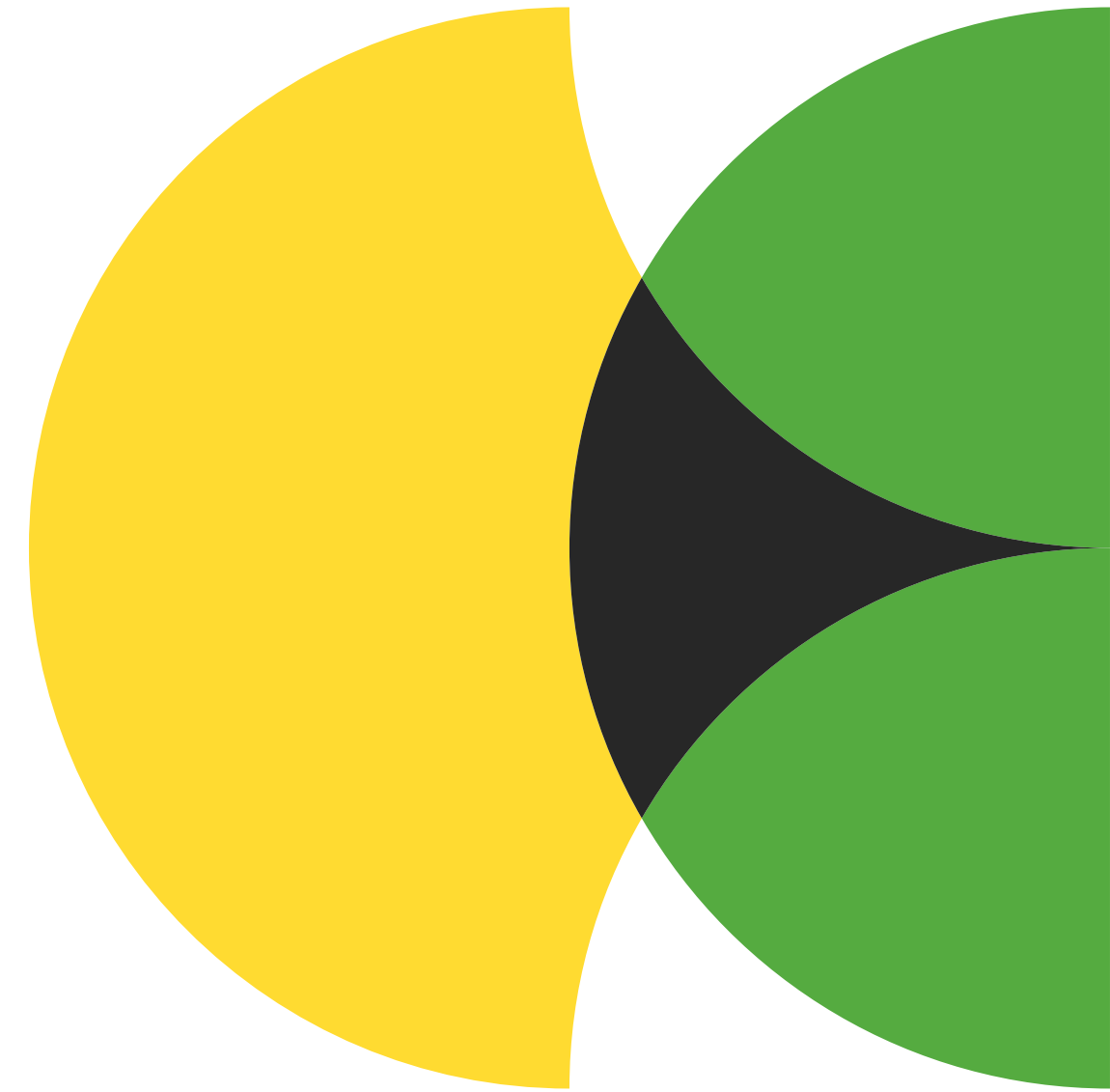


What is  
Business  
Planning?

“

BY FAILING TO  
PREPARE, YOU PREPARE  
TO FAIL

-- Benjamin Franklin



# Business Planning

## Why?

- plan technical operations
- Determines operational financing needs
- Quantify and schedule CAPEX
- Compliance to requirements

## Who?

- Management Team (i.e. Operations and Technical, Customer Accounts Management, general administration and finance)
- Board of Directors

## When? (time element)

- Usually 3 to 5 years
- Update annually (last quarter of the year)

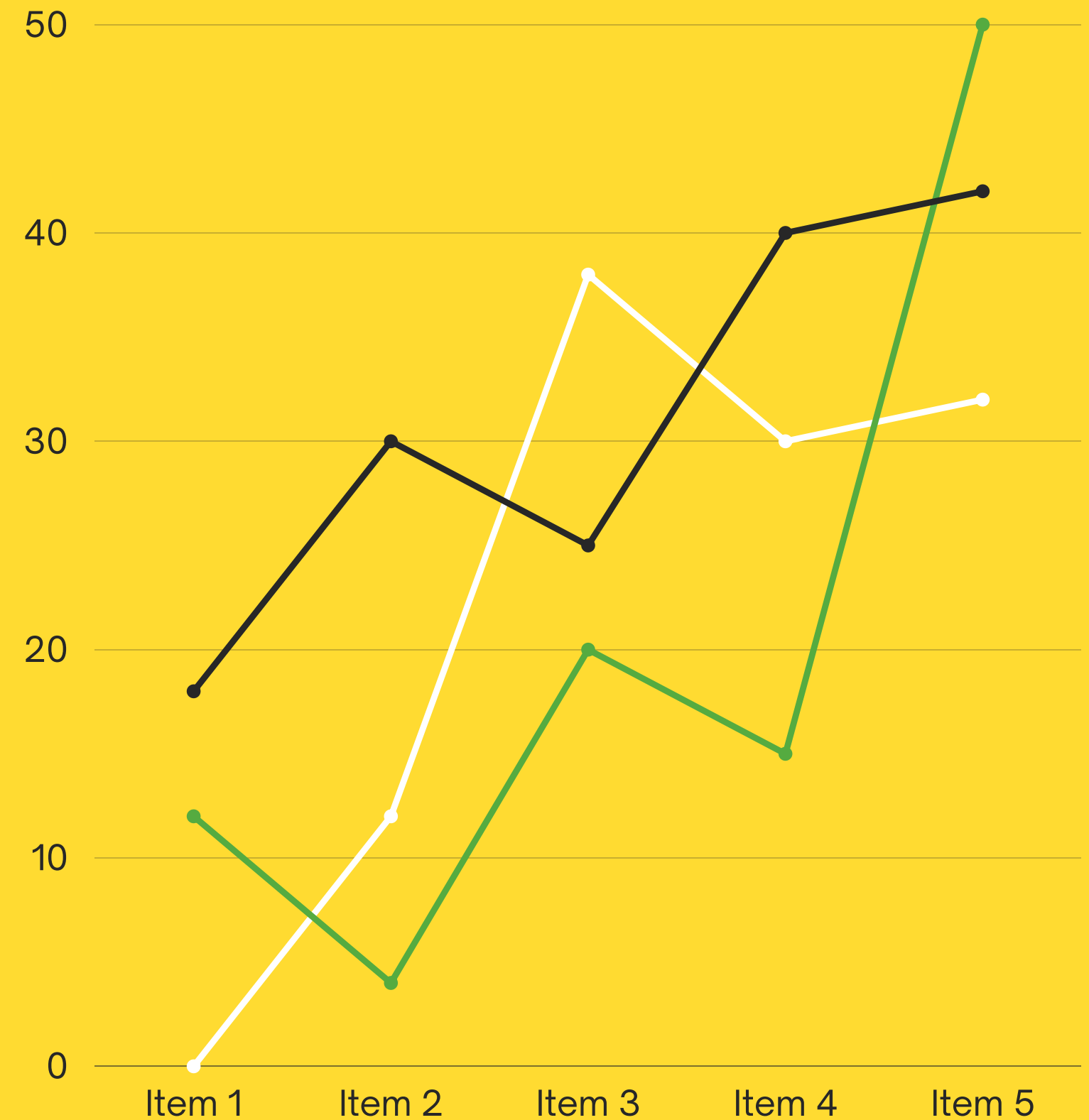
# The Planning Process



# S W O T



# Review trends and KPIs





# Demand Analysis and Staffing



## WATER DEMAND ANALYSIS

project water consumption and future demand



## REVIEW STAFFING PATTERN

review and assess your current manpower and future manpower needs

Where do  
we want to  
go?



# Goal Setting



SPECIFIC



MEASURABLE



ATTAINABLE



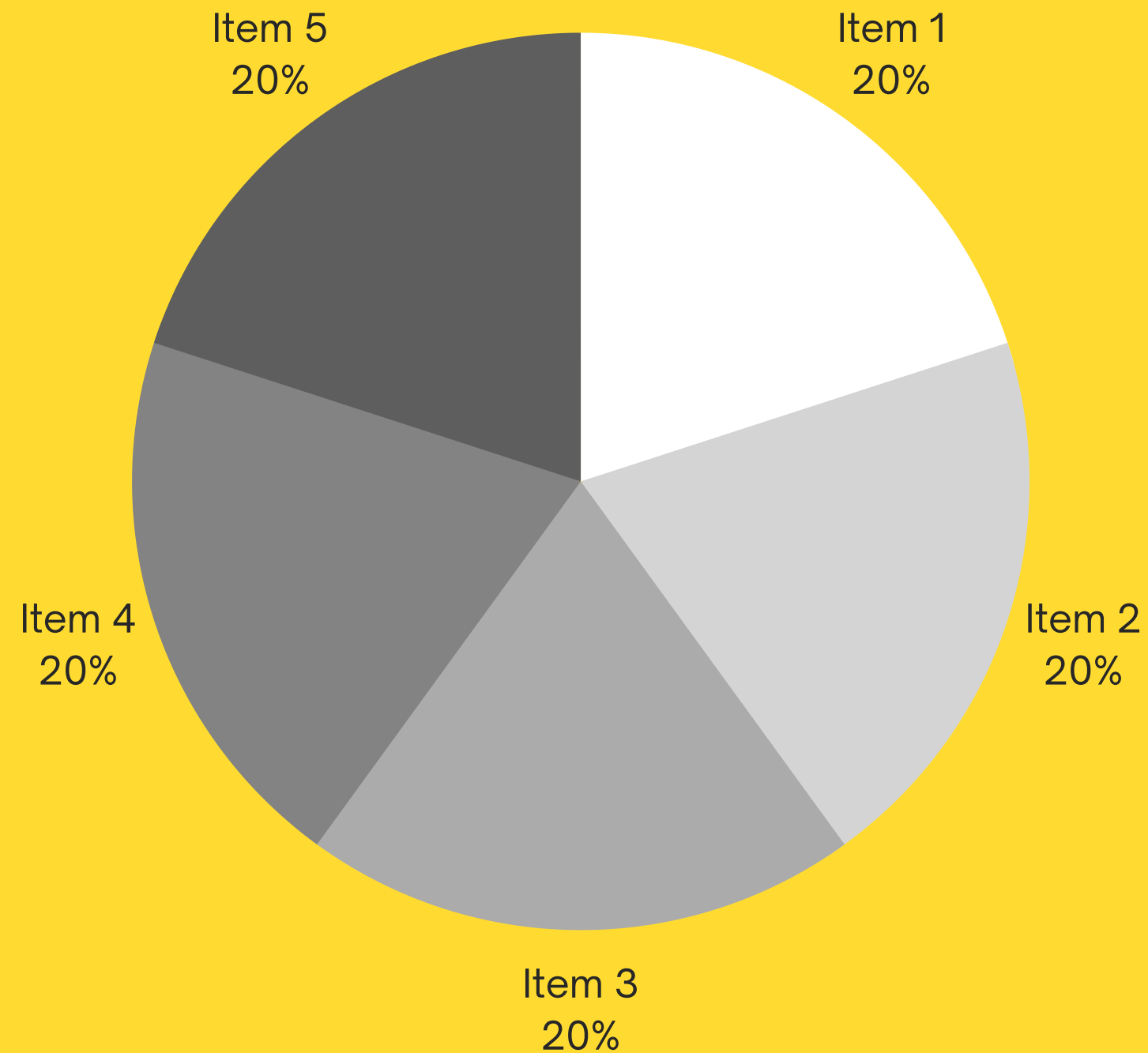
REALISTIC



TIMEBOUND

# Revenue Projection

Base on your demand projection,  
compute your projected revenue

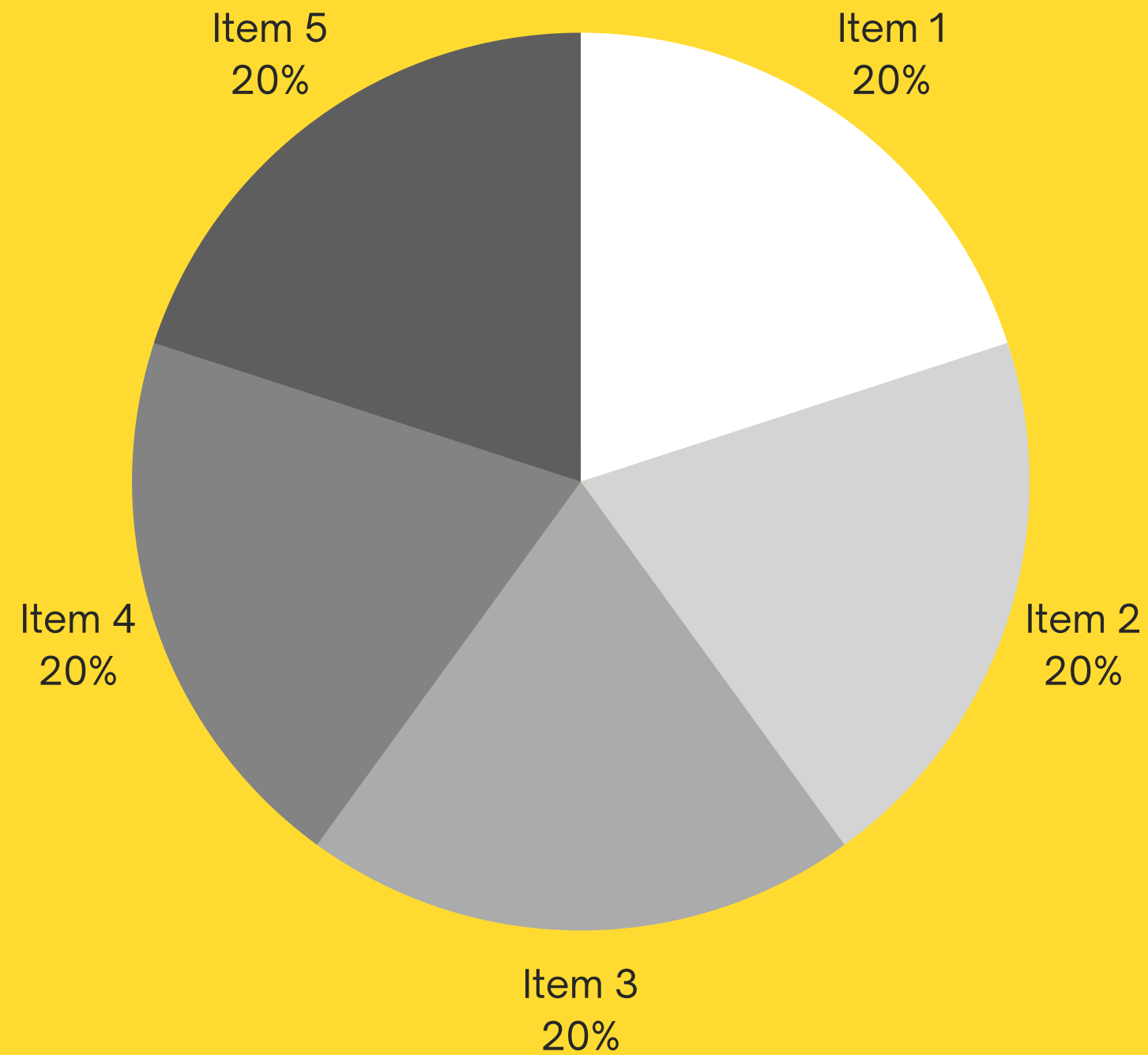




# Program and Project Planning

Identify what projects and programs are needed to meet the target.





# Expense Projection

How much these projects will  
cost you?

# KEY ELEMENTS OF THE BUSINESS PLAN MODEL

## General Description of the Utility

- Under this element, the WD will be guided in the data collection process that will provide the requisite quantitative information and the basis for key performance indicators.

## Mission Statement

- Serves as the guiding principle for all goals and plans of the utility

## Senior Management Overview

- Describes the major issues that need to be addressed in Business plan, monitoring, reporting procedures to be implemented to ensure effective implementation of the Business Plan

# KEY ELEMENTS OF THE BUSINESS PLAN MODEL

## Assessment of Current Conditions and Priority Issues

- This element addresses the current conditions that affects the utility.

## Strategic Goals

- Capture the quantifiable targets that improve the performance of the utility

## Water Demand Management and Analysis and Water Sales Forecast

- Provide the user with guidance on the assessment of water demand, and in particular, address the assessment of the future water demand, based on historical records, future growth, and expected water usage rates by category of customer.



# KEY ELEMENTS OF THE BUSINESS PLAN MODEL

## Organizational Structure and Staffing

- Provides the impact of the labor cost on the overall budget.

## Performance Improvement Plan

- Programs and projects to be implemented to achieve strategic goals

## Operations and Maintenance Budget Forecast

- Addresses the issue of Operation and Maintenance Budget Forecasting as an effective control tool to compare performance needs with planned (budgeted) performance

# KEY ELEMENTS OF THE BUSINESS PLAN MODEL

## Capital Investment Program

- Addresses the issue of planned capital investments and capital expenditures, and their impact on the capital expenditures, and their impact on operational and financial performance of the utility.

## Revenue Needs

- This element helps the utility to determine the utility's total revenue needs

## Tariff Policy and Pricing Strategy

- Addresses the issue of tariff and pricing of the utility in order to sustain or to reconsider the operations and maintenance expense, and the Capital Expenditures



“Unless commitment is made,  
there are only promises  
and hopes; but no plans.”

— Peter F. Drucker



*Thank you  
very much!*

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