**Level 3 Lesson 4: Costs & Income**

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| **1. Description Content** |
| Well! Here we are at Lesson 4 – the final lesson on how to compose your own business plan.  In this lesson, you will identify all the costs related to running your business. You will also be able to explore how to bring in income and then more profit!  Shall we get started?!  **Button:** Yes! |

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| **2. Description Content** |
| To complete your business model canvas, you will need to work on the last two parts: Cost Structure, and Revenue Streams and Profit. Let’s start with Cost Structure.  Play the video below when you are ready.  VIDEO 9: Cost Structure  **Guiding Questions for Part 8: Cost Structure**   1. What are all the costs you need to start your business? 2. What are the most important costs that you need to start your business? 3. Which Key Resources are most expensive? 4. Which Key Activities are most expensive?   Fill in the Cost Structure side of the template. Shall we move onto the Income side?  **Button:** Sure. |

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| **3. Description Content** |
| Listing out costs can be intimidating, but don’t worry! It is time to look at the other side of the coin – how to bring in income. Please play the video below when you are ready.  VIDEO 10: Revenue Streams and Profit  **Guiding Questions for Part 9: Revenue Streams and Profit**   1. How do you make money? And in how many ways? 2. How much will you make? 3. What prices will you set? 4. What are they paying now on similar products/services? 5. Will your customers pay for your products/services?   Well, that is a lot of questions, but all great questions nonetheless. Write your answers in the Revenue Streams and Profit section. Please click Next when you are ready to move on.  **Button:** Next. |

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| **4. Description Content** |
| A Graphic: Now What?  (ລະແນວໃດຕໍ່?)  Congratulations! That was a lot of work, but you have just completed the first draft of your business plan. Now, you can step back a little and look at how all the parts are related to one another.  Remember, your business plan is a canvas; meaning, you can edit, remove, and redo parts of it in whichever way you like. In fact, you should keep doing this until your business plan makes sense to you.  But to help you kick start this process, click Next for some advice and guiding questions.  **Button:** Next. |

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| **5. Description Content** |
| It is extremely normal that the first draft of your business plan will be messy, missing something, or downright not viable when you look at it.  That is why you might need to consider these 8 points to improve the plan:  1. Consider your Business Model Canvas as a master plan – a complete plan with Points A to Z. A great journey starts with the first step. The key is to think in stages; so, what are the absolute first steps you will need to take to test your business? What can be added at later stages?  2. Go out there and study your competitors. Observe how they price their products/service, what qualities they offer, who enjoys their business and why, how much they make in order for them to stay in business. This information will help you to understand their costs, pricing, and income.  3. In turn, you will be able to use this data to estimate your own unique offers, costs, pricing, and how much you need to make in order to make your business viable.  Please click Next to continue reading Point 4 to 8.  **Button:** Next. |

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| **6. Description Content** |
| A Graphic  4. Oh, don’t forget to include salary for yourself and people who help you into the cost structure as well. Remember, some people you don’t need to be full-time, but some do, and some can be outsourced.  5. Once you seem to find a way to make your business viable, don’t stop there. Go a step further to identify how much more you need to make and what need to change to achieve a profit. Remember: if you have more income than costs of production, you then will make a profit. Ideally, profit should be at least 30% of your total income.  6. In profits management, apply 1/3 rule. One third of the profit is savings for emergency, another 3rd is for re-investment or expansion, and the final part is your actual profit.  Please click Next to continue reading Point 7 to 8.  **Button:** Next. |

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| **7. Description Content** |
| 7. Now, go out there and bounce your business idea off people you identified as your potential customers. Tell them about your business idea and ask for feedback. Key feedback questions are: “Will you buy this from me at this price? Why/Why not?” You will be surprise how much information they can give you.  8. Remember: this Business Model Canvas is just a draft. You are full of creative ideas and have the ability to tweak it until it will works. Don’t give up. Keep tweaking it until it works!  Well, those are some key points for consideration. You can also come up with other questions to ask yourself, too. The better prepared you are, the higher the chance of success.  Please click Next to end this lesson when you are ready.  **Button:** Next. |

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| **8. Description Content** |
| A Graphic of Congratulations  Congratulations! You have come so far, but before you go today, we really want your opinion!  If you want to learn more in Level 3, please let us know what else that you wish to learn.  You can tell us in the comment box in the rating page, coming up next.  We hope to be able to create more lessons that will truly help your business thrive. Please do let us know!  See you soon in future lessons.  **Button:** Rate this lesson. |