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Lim Wen Jun

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## Devising a business plan - fast

NOT many corporate situations, one imagines, require the creation of a comprehensive business plan within 24 hours. But that is precisely what the McGill Management International Case Competition (MMICC) demands.

Canada's McGill University in Montreal organises the prestigious, wholly student-run competition, inviting 12 selected business schools worldwide to each send a team of four undergraduate participants. This year, in late March, a National University of Singapore (NUS) team consisting of Catherine Chong, Epili Sagar, Esther Teo and Kelvin Teo emerged second behind Thailand's Thammasat University.

'The task given was to devise business strategies for a non-profit organisation called E+Co, to help them achieve their target of providing clean energy to 100 million people in developing countries by 2020,' explains the team.



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'E+Co funds and

supports clean-energy entrepreneurs using a three-wedge strategy comprising direct investing, funds and affiliates, and carbon market transactions. These entrepreneurs set up companies that work towards replacing firewood, kerosene, charcoal and oil with cleaner, more efficient energy technologies suited to local needs and demand.

So far, according to them, they have provided more than 3.6 million of the world's poorest people access to modern energy services - and generated 2,965 jobs, while offsetting more than 2.2 million tonnes of carbon dioxide annually.

The 21-page written case, which the teams were provided with, suggested that E+Co would have to reach out to 40,000 entrepreneurs, compared to 1,173 currently, in order to achieve its aim. Analysing this claim, the team decided it was realistic and viable, and so went on to develop 12-year strategies for E+Co to implement.

The team also felt that E+Co's three-wedge strategy could be improved.

'We proposed a fourth wedge: enter the sector of water provision, purification and conservation, because this industry has features similar to the clean energy one, in terms of the business model needed, social benefits and growth opportunities,' the team says. 'It would provide diversification of business risks, and attract additional social entrepreneurs.'

'Each of us only had a power nap of 30-45 minutes in the whole 48 hours, which included waiting time for presentations.'

-Esther Teo



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All this, as mentioned, in 24 hours. 'Each of us only had a power nap of 30-45 minutes in the whole 48 hours, which included waiting time for presentations,' recalls Esther Teo.

The time constraints were compounded by the team's inexperience in business cases dealing with non-commercial services.

#### Non-commercial service

Describing the resulting difficulties, the team says: 'Firstly, as the company is not driven by financial gain, the motivation of the strategies becomes somewhat subjective. The considerations can no longer be restricted to customer value-creating measures, or simple cost-benefit analysis as with any commercial product.'

The strategies and implementation plans have to fall in line with the mission and goals of the company, with three key parameters: financial, socio-economic, environmental.

Secondly, the team says a service is tougher to quantify than a product - not to mention a non-commercial service. 'It is a totally new scope of business which most case competitions have not experimented with.'

Thirdly, they say, it is a wholly different kind of financial projection. 'A commercial product has unit price and unit cost. Hence it's not difficult to project sales and growth rates. But this is not the same for E+Co's balance sheet and income statement. 'For example, its main revenue source is grants and contributions - not the usual price times quantity - making growth rate really tough to project.'

In addition, the company operates in many different African countries, each at a different level of risk. This means higher risks - and higher risks equal higher capital cost.

Despite going into uncharted territory, the team found the novelty of it provided them room to be innovative. 'The challenge was intense, but it was intensely exciting as well,' they say. 'Simply by examining the three-edge strategy, our team explored whole new worlds like carbon market transactions.'

The team learnt that any case involves examining holistically and prioritising the issues, brainstorming for possible solutions and picking the best, and devising a plan for implementing them.

'In preparing for the Q&A, we learnt to anticipate challenges and constantly question ourselves,' they say. 'This way of analysing situations and making decisions has made us more confident about being better able to solve real-world problems in the future.'

According to them, performing well in the competition was not the only objective. It was a rewarding experience overall; pre-competition activities included snow tubing, karaoke, bowling, exploring Montreal, and networking with bankers at a cocktail session.

'We exchanged ideas, culture and knowledge, networking and forming friendships with like-minded people for good regardless of geographical boundaries,' the team says. 'Everyone keeps contact through Facebook, with a group set up for the MMICC 2008 participants.'

Most heartening of all, though, the competition raised the team's awareness of social entrepreneurship and its viability.

Esther, who wrote a paper in the previous semester titled 'Can Microfinance be the Answer to Poverty Alleviation in Asia Pacific?', says: 'The business plan we crafted for E+Co is very much a living, breathing, organic thing. This has convinced me that social entrepreneurship is not just a 'nice name' or a 'hot' discussion topic. It is alive and real. It is possible. It is a sustainable business idea and is for a good cause.'

While E+Co targets Africa, she says a company can be set up to target Asia that replicates the vision and business model of E+Co - and Singapore is a good place to act as the Asian hub, given its favourable geographical location and economic conditions.

'As well-educated students blessed to be living in one of the best countries in the world, we should do our part in serving our fellow people,' Esther says. 'As business students, we are capable of making things happen through ingenious business ideas motivated by true concern for our social and environmental well-being.'

*This article was first published in The Business Times on Jun 2, 2008*

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