# Introduction

Planning is of great importance in all types of organization whether business or non-business, private or public, small or large. The organization which thinks much ahead about what it can do in future is likely to succeed as compared to one which fails to do so. Without planning, business decisions would become random, ad hoc choices.

One of the most important types of plans is a business plan. A business plan is a document that shows how a business is going to achieve its objectives laid out in the plan both from a customer marketing viewpoint and the financial statements to back up the written plan. The business plan is an operating tool that, if properly used, will help to manage the business more effectively in order to achieve success. By taking an objective look at the business, the owner should identify areas of weakness and strength, pinpoint needs and might otherwise overlook, spot opportunities early, and begin planning how to best achieve the business goals.

The business plan also helps to see problems before they grow large and helps to identify their source, thus suggesting ways to solve them. The business plan also provides information needed by others to evaluate the venture, especially if it will need to seek outside financing. A thorough business plan can quickly become a complete financing proposal that will meet the requirements of most lenders. That is why it is important to develop and justify business plans properly.

The problem of business planning was considered in papers of a lot of domestic and foreign scholars, such as Gryniova V. N., Shalimova T. O., McKeever M., Greene C. L., Riley R., Blackwell E.

The object of the thesis is a process of a business plan development and justification. The subject of the thesis is principles and techniques for a business plan justification.

The goal of the thesis is to develop theoretical background and practical recommendations on economic justification of a business plan.

In order to achieve this goal the following tasks were set:

* to disclose the essence of a business plan, its tasks and a typical structure;
* to define the methodology of a business plan development and justification;
* to learn the international experience in a business plan justification;
* to perform a comprehensive analysis of the McDonalds corporation activity;
* to justify a business plan for the McDonalds corporation;
* to analyze labor safety at the McDonalds corporation.

The information base of the thesis is legislation in area of competition, organization of marketing activities, operations, financial and tax regulations, sales and intellectual property; works of domestic and foreign scholars on the topic of business planning and investment project justification; annual reports of the McDonalds corporation.

In the thesis the following methods are used: analysis and synthesis, logical generalization, morphological analysis, statistical analysis, graphical method, SWOT analysis, PERT chart, project analysis.

The base of the research is The Northeastern Research Center of The National Academy of Sciences of Ukraine, which performs scientific researches in different areas worldwide. So the base for analysis and practical implementation of recommendations was the McDonalds corporation.

The thesis consists of introduction, four chapters, conclusions, list of references and appendixes.

# 1. Theoretical aspects of a business plan justification at an enterprise

## 1.1. The essence, types and structure of a business plan

A business plan is a formal document used to detail plans for a start-up or existing business. This document is used to describe business goals and strategies, as well as provide a blueprint of financing and marketing plans. Essentially, it provides detailed information about where a company is going and how it will get there.

In order to study the business planning issues first it is necessary to define the essence of a business plan. So the morphological analysis of this concept is performed in the tab. 1.1.

**Table 1.1**

**Morphological analysis of the concept “business plan”**

|  |  |  |
| --- | --- | --- |
| **Author** | **Definition** | **Key words** |
| McKeever M. [65] | A business plan is a written statement that describes and analyzes business and gives detailed projections about its future. | written statement |
| Greene C. L. [12] | A business plan is a written document that describes what business will produce, how will produce it as well as how will buy it, it also describes also the background of people running business. Writing business plan make to think about all aspect of business, help secure financing as well as to help to communicate to others and can save the tools for managing business | written document |

To sum up…

# Conclusion

A business plan is a comprehensive, written description of the business of an Enterprise; it is a detailed report on a company's products or services, production techniques, markets and clients, marketing strategy, human resources, organization, requirements in respect of infrastructure and supplies, financing requirements, and sources and uses of funds. The business plan describes the past and present status of a business, but its main purpose is to present the future of an enterprise. Business plan is normally updated annually and looks ahead for a period of usually three to five years, depending on the type of business and the kind of entity. Business is a crucial element in any application for funding, whether to a venture capital organization or any other investment or lending source. Therefore, it should be complete, sincere, factual, well structured and reader-friendly

The business plan is important for many reasons because it will be the first thing that investors and personnel will ask for when approached to secure a loan or join in the business. Having a plan that is solid and details all aspects of the business such as financial progress, marketing and sales and a detailed business description will help to captivate many audience and secure what y looking for. It is important that the business plan encompass all aspects of the business so that do not have to do any re-writes for each party that may be showing it to. Having one plan that covers everything will allow showing it to the investors and potential managers as well.

There are 2 main types of a business plans: business plan of a project and business plan for an enterprise.

Any business idea in the business plan must be substantiated. There are 4 main methods of justification a business plan: simple rate of return method, payback period method, net present value method and internal rate of return method.

The base for research is McDonald's Corporation – the world's largest chain of hamburger fast food restaurants, serving around 68 million customers daily in 119 countries across 36525 outlets. The McDonald's Corporation's business model is slightly different from that of most other fast-food chains. In addition to ordinary franchise fees and marketing fees, which are calculated as a percentage of sales, McDonald's may also collect rent, which may also be calculated on the basis of sales. As a condition of many franchise agreements, which vary by contract, age, country, and location, the Corporation may own or lease the properties on which McDonald's franchises are located. In most, if not all cases, the franchisee does not own the location of its restaurants.

But for several last years revenues and profit of McDonald's Corporation decreased. Total revenue in 2015 decreased comparing to 2014 by more than $2 bln, operating income decreased by more than $800 mln and net income decreased by $228,5 mln.

One of the key reason is that people all over the world think more about their health and wellbeing. And results of surveys declare that Americans are losing their taste for fast food. As demand for fast food will most probably decrease in the following decades. So the company must diversify its activity.

So the recommendation is to develop and implement a project of organizing a chain of gyms and sport clubs McGym first in USA and then deploy it globally.

The target market for gyms cuts across people of different walks of life. The fact that people register in gyms and fitness clubs for various reasons makes marketing the business interesting.

McGym facility will be equipped with modern technology, and team will install large TV screens close to cardiovascular equipment and treadmills, so as to help clients stay entertained whilst they engage in their exercise. The project team will work towards ensuring that it provides clients / members with a daily program of exercise and diet that perfectly suit their lifestyle and also to help them achieve their desired results and to help them create healthy habits that will last them for life.

Implementation of a project (opening of a club) will take 31 weeks consisting of such activities: developing a business plan, finding location, making repairment, equipping, staffing and training, marketing. As a result, net present value of the project will be 3,45 $ mln.

# References

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# Appendicies

**Appendix A**

**Financial statements of McDonald’s Corporation**

**Table A.1**

**Assets as of December 31, 2014 and 2015, $ mln**

|  |  |  |
| --- | --- | --- |
| **Assets** | **2014** | **2015** |
| Non-current assets | | |
| Property, plant and equipment | 24557,5 | 23117,6 |
| Investments in affiliates | 1004,5 | 792,7 |
| Goodwill | 2735,3 | 2516,3 |
| Miscellaneous | 1744,6 | 1869,1 |
| Total non-current assets | 30041,9 | 28295,7 |
| Current assets | | |
| Cash and cash equivalents | 2077,9 | 7685,5 |
| Accounts and notes receivable | 1214,4 | 1298,7 |
| Inventories | 110 | 100,1 |
| Prepaid expences and other curent assets | 783,2 | 558,7 |
| Total current assets | 4185,5 | 9643 |
| Total assets | 34227,4 | 37938,7 |

**Table A.2**

**Equity and liabilities as of December 31, 2014 and 2015, $ mln**

|  |  |  |
| --- | --- | --- |
| **Equity and liabilities** | **2014** | **2015** |
| Equity | | |
| Common stock | 16,6 | 16,6 |
| Additional paid-in capital | 6239,1 | 6533,4 |
| Retained earnings | 43294,5 | 44594,5 |
| Accumulated other comprehensive income | -1519,7 | -2879,8 |
| Common stock in treasury | -35177,1 | -41176,8 |
| Total equity | 12853,4 | 7087,9 |
| Liabilities | | |
| Non-current liabilities | | |
| Long-term debt | 14935,7 | 24122,1 |
| Other long-term liabilities | 2065,9 | 2074 |
| Deferred tax liabilities | 1624,5 | 1704,3 |
| Total non-current liabilities | 18626,1 | 27900,4 |
| Current liabilities | | |
| Accounts payable | 860,1 | 874,7 |
| Accrued interest | 233,7 | 233,1 |
| Tax liabilities | 496,8 | 463,8 |
| Payables to employees and social security institutions | 1157,3 | 1378,8 |
| Total current liabilities | 2747,9 | 2950,4 |
| Total liabilities | 21374 | 30850,8 |
| Total equity and liabilities | 34227,4 | 37938,7 |