

The Business Plan - Where Vision Meets the Nuts and Bolts of Success

By Nathaniel Sheppard Jr.

EACH YEAR, thousands of businesses succeed, fail or tread water, depending on the strength or weakness of entrepreneurs' business planning. Entrepreneurs most likely to succeed are those who map their way across the minefield of commerce and industry with a written business plan – an indispensable key to the marketplace and essential tool for starting and running an enterprise.

As important as a business plan is, it's a challenge to create an effective one that retains its usefulness for years to come. Even the best-laid plans can be upended by Murphy's Law.

How can you, an entrepreneur, put together an industrial-strength business plan that gives your venture a fighting chance? There certainly is no shortage of government and private agencies that of-



fer to help you, for free or for a fee. A Google search for “business plans” will net you no fewer than 308 million entries.

To narrow things down, consider the saying, “the devil is in the details” – or the lack thereof. Others believe that the key to getting prospective supporters to get behind your business concept is by getting them to read your business plan. The approach a business plan takes depends in good measure on whether it is designed for internal use by an existing company or to raise capital for either an existing or start-up company.

In its coaching of entrepreneurs, the U.S. Small Business Administration (SBA) describes a business plan as a “work in progress that even successful, growing businesses should maintain.” In its view, a workable business plan includes an executive summary and detailed sections on market analysis, a company description, organization and management, marketing and sales management, a service or product line, a funding request, financials and an appendix. The agency advises that entrepreneurs not try to write it alone, but use their mentors to help them create the plan and as business coaches thereafter.

Two of the most common and costly mistakes entrepreneurs make when writing a business plan are thinking of it solely as a device for raising money and failing to implement the plan once funding has been obtained.

“A lot of people do a plan because it is a requirement to get money,” said Bruce Bachenheimer, clinical professor of management at Pace University in New York. “The key, though, is to step back and not think of it as something you have to do to get a loan, but something to teach you what you don’t know, something you can use to prove and demonstrate that there is alignment of a business with opportunity and resources.”

Central to a workable plan, Bachenheimer said, are these five steps:

1. Determine what you don’t know, what assumptions need to be tested and what research needs to be conducted;
2. Put it all down on paper in a coherent, complete and convincing style;
3. Focus the plan on the customers’ needs and any critical market conditions, industry dynamics or macro-environmental factors;
4. Demonstrate an alignment of the opportunity, entrepreneur and resources that coincides with current market conditions, including appropriate levels of risk and return;
5. Provide meaningful milestones and realistic means of achieving them, explaining how you actually will achieve sales.

“In many cases, the real value of writing a business plan is the process of actually creating it,” Bachenheimer said. “Don’t do it because someone needs it; do it as if your business depends on it.”

Ruth King, an author and the founder and CEO of ProfitabilityChannel.com, has 26 years of experience in writing business plans and coaching nascent businesses in developing them. She writes a three-page plan for businesses that want to use the document for internal development and a detailed plan for those seeking funding. For the former, page 1 is a list of goals and objectives for the year, page 2 is the marketing and advertising plan and page 3 is the financial budget.

“The most important part of business planning is the deep learning that the entrepreneur gains by going through the process.”

