

To be prepared is half the victory.
- Miguel De Cervantes

INTRODUCTION

Prior to beginning the process of writing your business plan it is important to understand what a business plan is and why it is important. This Chapter will provide you basic information regarding business plans as well as some tips to help you write your plan.

- **What is a Business Plan?**

A business plan can serve many purposes. It is frequently used as the document to raise funding for new businesses. As such the plan is a *selling document*. A business plan is also a useful *roadmap* that can help you to get where you want to go. When you use the team approach to the planning process, the plan can be an excellent *management tool* that aids you in *motivating employees*, obtaining better information for *decision-making*, and *improves communication* within your company. In many cases, the business plan becomes a *reality check* for business owners. Thus, the business plan and the process of producing it can help you to *establish direction*, *set goals*, and begin the process of *accomplishing those goals*.

- **Why is it Important to Plan?**

People frequently start businesses to gain more control over their professional destinies. Unfortunately, the reverse is frequently occurs. Business owners often find that they spend most of their time "putting out fires" and spend very little time on *direction setting* and *planning*. As a result, business owners often report that they are frustrated by their lack of control over their businesses. The business plan is a means of gaining additional control over where your business is headed. As described above, the mere process of planning can help you establish direction and movement in that direction.

- **Who Should Write my Business Plan?**

The answer is in the question! An effective business plan should not be done by a consultant or one of your employees. **YOU** should direct the process and involve as many people from your organization (or nascent organization) as possible. It comes from your goals, vision, philosophies, experiences, thoughts, and finally, your research into the business opportunity you are pursuing.

- **What Constitutes a Good Business Plan?**

A good business plan is a dynamic document. You don't just "set it and forget it." It should be referred to frequently in decision-making, evaluating, and future planning. Your business plan should change as the environment in which you work changes. It

may contain some gospel, but the plan itself is not sacred. The world changes and so must you. You must be prepared to **significantly** change or even scrap ideas from your plan occasionally. Using milestones developed in the planning process will help you to determine if and when this may be necessary. Writing and maintaining an effective, dynamic, and flexible plan will be one of the most difficult tasks you will encounter in developing, growing and maintaining your business.

- **Tips for Writing a Better Business Plan**

As you all know, this course is truly "outcome-driven." That means our focus is to help you create the best possible business plan that will, in turn, help you start or expand your business successfully. Therefore, it is important that you remember to take the information you develop in your homework assignments and incorporate it wherever needed within your business plan. Keeping up with this task is just as important as completing your homework assignments and it is critical that you do not fall behind.

Here are a few reminders/suggestions to help you during the process of writing your business plan:

1. Always write your business plan in the third person. In other words, never use, "I, me, or my." Instead use phrases like, "the owner of the business is confident; Mary Contrary, CEO of the Corporation, states that earnings are up; the business will be owned and operated by Joe Blow. Mr. Blow has a thousand years of experience..."
2. Write with confidence! Avoid phrases like, "we hope to make a profit" or "this business should become profitable within one year." The business WILL make a profit and WILL become profitable within one year (hey, I have faith in you folks)!
3. Avoid slang and jargon. You'se guys ain't gonna get funded if you got sloppy plans! Using Jargon (technical words or phrases based on a specific industry) is another no-no for the average business plan reader. Understand that there is a good chance that your reader will not know the technical terms associated with your business. For example, in a recent class we had a professional musician and an aircraft engineer. Can we all describe a pizzicato beat or an airflow ratio?
4. Keep it simple! Sometimes the difference between a business plan that gets read and one that doesn't is thickness! The average business plan (minus attachments) usually ranges between twenty and thirty pages. Most of the ones you see that look like a phone book are filled with too much fluff. Get people to read and understand you plan by calling a dog a dog and not a "fur-laden, quadruped member of the canine family!"
5. When all else fails, take a look at the sample business plan(s) included in the Supplemental section of your Course Materials. For those of you who missed the orientation, these sample plans were created for you to use as a reference

tool to use in case you are having difficulty with any section of your plan. Feel free to follow the format exactly and/or modify it to better suit your particular business concept. Remember, these are sample plans. If you want to use one as a model to follow, you must make sure that you modify every section to fit your business idea.

6. Be like Nike and "Just Do It!" The best way to start writing your business plan is to not worry about perfection in the beginning. Just write out your ideas and information and worry about editing them later. Remember this course includes a review and critique of your business plan. This will help to insure the quality and integrity of your final product.

- **Resources to Help You Write Right!**

Here are some web sites that can help you when you are stuck on a grammatical problem or simply just need to find a word or definition:

Guide to Grammar and Writing

<http://webster.commnet.edu/HP/pages/darling/grammar>

Merriam-Webster Dictionary/Thesaurus

<http://www.m-w.com/netdict.htm>

Roget's Thesaurus

<http://www.thesaurus.com/>

- **Final Comments**

Your business plan is exactly that – **your** business plan. To be complete it must contain the information outlined in each chapter of this course. However, you are free to modify wording, titles, and/or add additional content if you feel it will strengthen your plan.

THE BOTTOM LINE:

Before beginning the process of writing your business plan, you should have an understanding of what a business plan is, why it is important, and how, by following a few simple tips, you can the create the best business plan for your venture.